

Minnesota Labor Market Review

September 1988 Supplement

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Nation

Unemployment Rate Edges Upward; Payroll Employment Rises Modestly As Factory Employment Declines

The nation's seasonally adjusted unemployment rate rose 0.2 of a percentage point to 5.6 percent in August after a rise of 0.1 of a point in July from the 14-year low of 5.3 percent in June. Seasonally adjusted nonfarm payroll employment climbed by 219,000 in August after a gain of 200,000 in July. The payroll employment increases in July and August were significantly below the average monthly gain of 363,000 during the first half of the year. Employment in manufacturing fell by 5,000 in August after increases of 45,000 in July and 54,000 in June. The biggest drop was 8,000 in textile manufacturing. Nevertheless, employment in nonelectrical machinery, electrical equipment, instruments, printing and publishing continued to climb.

Other Indicators Also Suggest Slower Growth

Retail sales and housing starts fell in August while industrial production and personal income rose very modestly. Yet, personal consumption expenditures which includes spending for services rose moderately. Real gross national product also grew more slowly in the second quarter.

State

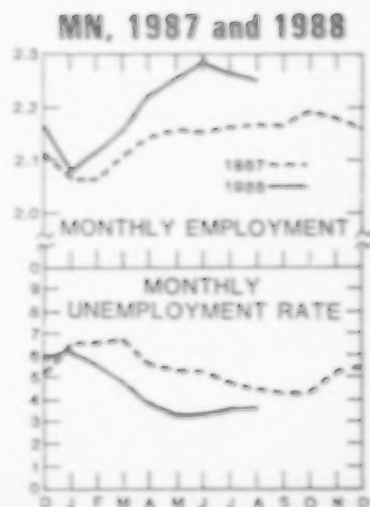
The Rising August Unemployment Rate Was Not Expected; Payroll Employment Climbs Modestly

Minnesota's seasonally unadjusted unemployment rate edged up to 3.6 percent in August from 3.5 percent in July. The rise was unexpected since the rate usually declines from July to August. Seasonally adjusted nonfarm payroll employment rose by only 2,285 in August after gains of 4,974 in August and 8,911 in July. The slower growth in payroll employment was due to decreases in durable goods manufacturing employment, especially in transportation equipment and computer manufacturing and in two of the transportation industries, namely, local transportation and trucking and warehousing. Also, the trade and services industry sectors grew more slowly in August.

On the other hand, employment in construction which had declined for five consecutive months on a seasonally adjusted basis edged up in August as building construction and special trades employment rose modestly. Over the year, payroll employment was up by 58,600. The largest over-the-year gains were in the services industry (20,636), trade (16,636) and manufacturing (14,205).

By Ben Boyle

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	August 1988	Change From		August 1988	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2336.8	-9.2	75.1	123.4	-0.5	1.8
Employed	2294.1	-12.2	92.0	116.7	-0.3	2.2
Unemployed	84.7	3.0	-17.7	6.7	-0.2	-0.4
Unemployment Rate						
Actual	3.6	0.1	-0.9	5.4	-0.1	-0.4
Seasonally Adjusted	n.s.	n.s.	n.s.	5.6	0.2	-0.4



Minnesota Nonagricultural Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
	August 1988	July 1988	August 1987	July 1988	Aug. 1987	Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
						August 1988	August 1987	August 1988	August 1987	Aug. 1988	Aug. 1987
Total Nonagricultural	2,034.3	2,025.5	1,977.0	0.4	2.9	-	-	-	-	-	-
Manufacturing	399.1	394.5	385.2	1.2	3.6	431.39	424.56	10.42	10.28	41.4	41.3
Durable Goods	235.0	233.9	224.7	0.5	4.6	457.45	455.80	10.84	10.75	42.2	42.4
Lumber and Furniture	24.2	24.2	22.7	-0.1	8.9	530.35	507.78	12.22	11.70	43.4	43.4
Stone, Clay and Glass	9.5	9.5	9.3	-0.3	3.0	434.00	423.15	10.26	10.50	42.3	40.3
Primary Metals	7.2	7.1	6.5	1.4	10.5	415.04	425.20	9.72	9.47	42.7	44.9
Fabricated Metals	33.9	34.1	33.5	-0.4	1.4	515.21	513.54	12.18	11.86	42.3	43.3
Nonelectrical Machinery	82.1	81.7	79.8	0.6	3.0	473.34	471.24	11.19	11.22	42.3	42.0
Office and Computing	39.3	39.6	39.7	-0.7	-0.9	514.07	529.20	11.71	12.25	43.9	43.2
Electrical Machinery	30.3	30.0	28.3	0.9	7.1	357.32	371.05	8.61	8.71	41.5	42.6
Transportation Equipment	10.4	10.4	9.7	-0.3	6.6	468.79	500.98	11.49	11.76	40.8	42.6
Scientific Instruments	31.6	31.1	30.1	1.6	5.0	441.15	428.16	10.38	10.17	42.5	42.1
Misc. Manufacturing	5.9	5.9	5.5	-0.4	7.8	395.75	389.06	9.82	9.80	40.3	39.7
Nondurable Goods	164.1	160.6	160.5	2.2	2.2	398.57	387.03	9.89	9.70	40.3	39.9
Food and Kindred	51.9	48.6	51.2	6.6	1.3	365.07	343.62	8.49	8.26	43.0	41.6
Textiles and Apparel	5.0	4.9	5.1	1.2	-2.0	285.14	263.41	7.33	7.10	38.9	37.1
Paper and Allied	33.0	33.2	33.2	-0.7	-0.6	490.59	496.93	11.85	11.72	41.4	42.4
Printing and Publishing	47.2	47.1	45.2	0.2	4.4	395.67	384.80	10.93	10.40	36.2	37.0
Chemicals and Petroleum	11.2	11.1	10.9	1.0	2.2	480.03	472.39	12.34	12.02	38.9	39.3
Rubber, Plastic & Leather	15.9	15.6	14.9	1.6	6.6	364.67	339.68	8.96	8.80	40.7	38.6
Nonmanufacturing	1,635.2	1,631.0	1,591.8	0.3	2.7	-	-	-	-	-	-
Mining	7.5	7.5	7.0	0.3	8.4	572.88	549.54	13.02	12.90	44.0	42.6
Metal Mining	5.4	5.4	4.8	0.2	12.0	599.71	592.62	13.85	14.11	43.3	42.0
Construction	92.7	98.8	94.8	7.1	-4.3	616.18	619.64	15.56	15.15	39.6	40.9
Transp., Comm., Pub. Util.	100.4	100.8	99.7	-0.4	-0.6	-	-	-	-	-	-
Transportation	65.6	66.0	65.5	-0.6	0.1	-	-	-	-	-	-
Trucking & Warehousing	26.1	26.3	27.0	-0.6	-3.1	388.08	417.09	12.60	12.16	30.8	34.3
Comm. & Public Util.	34.8	34.8	34.2	-0.1	1.6	582.54	603.68	14.60	14.76	39.9	40.9
Trade	524.8	509.5	497.7	1.0	3.4	232.80	232.92	7.76	7.79	30.0	29.9
Wholesale	127.6	126.5	123.4	0.9	3.4	407.63	422.58	10.87	10.78	37.5	39.2
Retail	387.2	383.0	374.3	1.1	3.4	181.53	178.43	6.53	6.56	27.8	27.2
Building Materials	18.3	18.5	17.8	-1.1	2.6	327.60	329.28	8.40	8.40	39.0	39.2
General Merchandise	58.1	55.7	53.1	0.8	5.7	162.56	150.78	6.35	5.89	25.6	25.6
Food Stores	52.1	51.7	49.9	0.8	4.2	196.88	199.08	6.86	7.01	28.7	28.4
Automotive	41.7	41.5	40.2	0.5	3.8	327.77	323.51	9.13	9.35	35.9	34.6
Apparel	19.7	19.4	19.5	1.6	1.3	126.48	124.66	5.27	5.13	24.0	24.3
Home Furnishings	17.4	17.1	16.3	1.6	7.1	254.43	243.18	7.71	7.72	33.0	31.5
Eating and Drinking	133.1	131.0	130.1	1.6	2.3	114.95	107.14	4.75	4.72	24.2	22.7
Fin., Insur., Real Estate	125.1	125.0	121.4	0.1	3.0	-	-	-	-	-	-
Finance	57.0	57.1	56.2	-0.2	1.4	-	-	-	-	-	-
Insurance	48.5	48.2	44.4	0.5	4.6	-	-	-	-	-	-
Real Estate	21.7	21.7	20.8	-0.2	4.1	-	-	-	-	-	-
Services	503.0	500.3	482.2	0.5	4.3	-	-	-	-	-	-
Personal Services	25.5	25.1	24.1	1.7	5.8	1/ Totals may not add because of rounding.					
Business Services	101.8	101.1	93.9	0.5	8.2						
Repair Services	20.9	21.0	19.4	-0.3	7.1	2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Health Services	154.5	154.2	150.9	0.2	2.4						
Hospitals	53.5	53.4	51.6	0.1	3.7						
Nursing Homes	41.5	41.5	40.1	0.1	-1.4						
Legal Services	15.1	15.1	14.3	-0.4	5.4						
Private Education	19.6	19.9	19.0	3.3	3.2						
Government	293.7	298.9	289.0	-1.8	1.6						
Federal	34.0	34.2	33.3	-0.5	2.2						
State	70.5	70.8	68.9	-0.4	2.4						
Education	32.4	32.9	32.2	-1.3	0.8						
Local	189.2	194.0	186.9	-2.5	1.3						
Education	66.8	62.4	64.2	-4.0	3.1						

Minneapolis-St. Paul MSA



By Kevin Alaspa

The Unemployment Rate Increases Slightly

The unemployment rate increased from 3.1 percent in July to 3.3 percent in August. The total labor force declined while total employment dropped by a greater amount, causing the rise in the jobless rate. In six of the past ten years, the unemployment rate declined between July and August. This year's increase was slight, however, and did not necessarily represent an emerging rise in joblessness.

Wage And Salary Employment Changes Only Slightly

Total non-agricultural wage and salary employment remained virtually unchanged in August. Manufacturing employment grew by 1,000 jobs, evenly divided between the durable and nondurable sectors. Employment increased slightly among scientific equipment and food processing firms and decreased in the paper and allied products sector. Construction employment rose by approximately 1,000, while retail trade grew by 2,100, attributable mostly to gains in eating and drinking establishments. Employment in services was up by 900, while the government sector declined by about 4,700 jobs. Most of this decrease occurred among local school districts which typically employ the fewest number of workers in the late summer.

Total wage and salary employment was 33,000 higher than in August, 1987, a 2.6 percent gain from a year ago. While all industry sectors have increased to some degree, services grew fastest. One in three of the new jobs was created in service businesses over the past year.

In coming months, seasonal factors will affect changes in employment. Declines in construction and recreation related businesses, and increases in education will cause shifts in various employment sectors. The unemployment rate will vary only slightly; typically it reaches its low in the early fall. However, claims for unemployment insurance will begin to rise as employment in construction and other seasonal work slackens. Usually, the number of initial claims rises noticeably in late October.

The strong economy and the diversity of industries have been responsible for continued employment growth in the Twin Cities metropolitan area. A downturn in one particular sector does not cause severe economic reversal or worker dislocation within such a broad-based economy. Over the past year, steady employment growth has been the norm in most sectors.

AREA	LABOR FORCE			EMPLOYMENT			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987
Mpls-St. Paul MSA	1,395,973	1,399,593	1,354,757	1,350,263	1,356,409	1,301,440	45,710	43,184	53,317	3.3	3.1	3.9
REGION 11	1,310,835	1,314,169	1,272,300	1,267,975	1,273,924	1,222,256	42,860	40,245	50,044	3.3	3.1	3.9
Anoka	131,406	131,941	127,467	127,048	127,644	122,467	4,358	4,297	5,000	3.3	3.3	3.9
Carver	23,940	24,001	23,211	23,302	23,411	22,462	638	590	749	2.7	2.5	3.2
Dakota	138,114	138,547	134,148	133,623	134,250	128,805	4,491	4,297	5,343	3.3	3.1	4.0
Hennepin	631,151	632,521	612,325	610,041	612,904	588,045	21,110	19,617	24,280	3.3	3.1	4.0
Ramsey	284,887	285,593	276,924	275,715	277,009	265,774	9,172	8,584	11,150	3.2	3.0	4.0
Scott	28,408	28,408	27,618	27,413	27,541	26,424	995	867	1,194	3.5	3.1	4.3
Washington	72,929	73,158	70,607	70,833	71,165	68,279	2,096	1,993	2,328	2.9	2.7	3.3
Chisago	14,445	14,511	14,030	13,891	13,956	13,390	554	555	640	3.8	3.8	4.6
Isanti	12,359	12,442	12,012	11,979	12,035	11,547	380	407	465	3.1	3.3	3.9
Wright	32,823	33,049	31,921	31,715	31,865	30,571	1,108	1,184	1,350	3.4	3.6	4.2
St. Croix, WI	25,511	25,422	24,494	24,703	24,629	23,676	808	793	818	3.2	3.1	3.3
Bloomington	59,494	59,702	57,672	57,497	57,767	55,424	1,997	1,935	2,248	3.4	3.2	3.9
Minneapolis	221,193	221,446	214,988	212,700	213,698	205,031	8,493	7,748	9,957	3.8	3.5	4.6
St. Paul	152,073	152,450	148,158	146,373	147,060	141,095	5,700	5,390	7,063	3.7	3.5	4.8

Mpls.-St. Paul Nonagricultural Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	AUG. 1988	JUL. 1988	AUG. 1987	JUL. 1988	AUG. 1987	AUG. 1988	AUG. 1987	AUG. 1988	AUG. 1987	AUG. 1988	AUG. 1987
Total Nonagricultural	1317.5	1317.9	1284.2	0.0	2.6						
Manufacturing	265.3	264.3	257.6	0.4	3.0	459.61	459.91	11.21	11.19	41.0	41.1
Durable Goods	165.5	165.0	158.9	0.3	4.1	479.26	481.24	11.33	11.35	42.3	42.4
Lumber and Furniture	10.6	10.5	9.8	1.0	7.6	573.89	550.81	12.81	12.35	44.8	44.6
Stone, Clay and Glass	3.8	3.8	3.4	-1.4	12.0	480.46	472.32	11.69	11.72	41.1	40.3
Primary Metals	5.1	5.0	4.8	2.5	7.6	426.17	425.92	9.62	9.32	44.3	45.7
Fabricated Metals	26.1	26.2	25.9	-0.1	0.9	531.29	545.81	12.68	12.49	41.9	43.7
Nonelectrical Machinery	64.6	64.7	62.4	0.0	3.5	484.79	486.13	11.38	11.63	42.6	41.8
Office and Computing	31.6	31.9	31.7	-1.0	-0.2	499.29	503.86	11.22	12.20	44.5	41.3
Electrical Machinery	16.6	16.7	15.9	-0.5	4.4	374.22	381.11	9.24	9.41	40.5	40.5
Transportation Equipment	5.9	5.9	5.6	0.6	7.1	597.55	636.56	14.06	14.60	42.5	43.6
Scientific Instruments	29.4	28.9	27.9	1.6	5.5	448.79	440.16	10.66	10.48	42.1	42.0
Misc. Manufacturing	3.3	3.3	3.3	0.0	1.0	400.97	414.12	10.10	10.15	39.7	40.8
Non-durable Goods	99.7	99.3	98.7	0.4	1.1	430.17	429.94	11.03	10.94	39.0	39.3
Food and Kindred	19.2	18.9	19.1	1.3	0.4	463.20	428.98	11.27	10.54	41.1	40.7
Textiles and Apparel	2.3	2.2	2.1	2.0	8.0	267.50	251.20	6.93	6.92	38.6	36.3
Paper and Allied	25.3	25.6	25.5	-1.2	-0.7	454.40	465.53	11.36	11.41	40.0	40.8
Printing and Publishing	32.7	32.6	32.3	0.3	1.4	400.38	412.52	10.88	11.03	36.8	37.4
Chemicals and Petroleum	9.5	9.4	9.3	1.4	2.3	516.36	512.21	13.24	13.10	39.0	39.1
Rubber, Plastic & Leather	10.7	10.5	10.4	1.9	3.3	392.12	397.54	9.73	9.84	40.3	40.4
Nonmanufacturing	1052.3	1053.6	1026.6	-0.1	2.5						
Mining	0.6	0.6	0.6	0.9	0.2	352.80	208.78	11.20	8.03	31.5	26.0
Construction	59.9	58.9	59.7	1.8	0.3	652.63	635.90	17.04	16.56	38.3	38.4
Transp., Comm., Pub. Util.	69.6	70.0	69.5	-0.6	0.2						
Transportation	46.7	47.1	47.2	-0.9	-1.1						
Trucking & Warehousing	15.9	16.0	16.6	-0.6	-4.7	374.21	383.53	13.13	12.87	28.5	29.8
Comm. & Public Util.	23.0	22.9	22.3	0.1	2.9	594.91	600.70	14.51	14.58	41.0	41.2
Trade	326.4	324.6	319.2	0.5	2.2	261.79	259.92	8.64	8.55	30.3	30.4
Wholesale	87.4	87.7	84.5	-0.3	3.5	441.98	454.06	11.48	11.38	38.5	39.9
Retail	239.0	236.9	234.8	0.9	1.8	203.69	199.75	7.38	7.29	27.6	27.4
Building Materials	11.1	11.3	10.5	-1.6	6.6	373.69	369.76	9.86	9.53	37.9	38.8
General Merchandise	38.9	38.7	38.4	0.5	1.1	172.38	165.89	6.63	6.19	26.0	26.8
Food Stores	27.8	27.6	28.0	0.8	-0.7	253.13	241.97	8.61	8.52	29.4	28.4
Automotive	24.0	23.9	23.6	0.6	1.8	389.82	424.93	10.68	10.98	36.5	38.7
Apparel	12.7	12.5	12.9	1.3	-1.8	118.50	121.52	5.29	5.33	22.4	22.8
Home Furnishings	11.7	11.6	11.3	0.9	3.8	275.88	222.01	8.36	7.45	33.0	29.8
Eating and Drinking	82.3	81.2	80.5	1.3	2.2	128.45	115.14	5.42	5.14	23.7	22.4
Fin., Insur., Real Estate	97.1	96.9	94.4	0.1	2.8	-	-	-	-	-	-
Finance	41.4	41.5	40.3	-0.1	2.8	-	-	-	-	-	-
Insurance	38.6	38.4	37.3	0.6	3.6	-	-	-	-	-	-
Real Estate	17.0	17.0	16.8	-0.3	1.2	-	-	-	-	-	-
Services	337.9	337.0	326.9	-0.3	3.4						
Personal Services	18.4	18.1	17.3	1.2	6.0						
Business Services	82.1	82.0	79.9	0.2	2.8						
Repair Services	15.6	15.7	14.5	-0.7	7.8						
Health Services	85.7	85.9	84.7	-0.2	1.1						
Hospitals	30.4	30.8	30.5	-1.3	-0.3						
Nursing Homes	21.6	21.7	22.3	-0.4	-3.0						
Legal Services	11.9	12.0	11.3	-0.9	5.5						
Private Education	13.9	13.9	13.8	0.3	0.9						
Government	160.7	165.4	156.2	-2.8	2.9						
Federal	20.6	20.7	20.0	-0.5	3.0						
State	48.9	48.9	47.0	-0.1	4.0						
Education	24.4	24.5	23.4	-0.3	4.5						
Local	91.2	95.8	89.1	-4.8	2.4						
Education	41.1	45.0	39.2	-8.7	4.8						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Central and Northwest Minnesota



By Ron Daws

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987
St. Cloud MSA	89,617	90,520	85,266	3,659	3,574	4,441	3.9	3.8	5.0
REGION 1	39,962	40,945	38,346	2,668	2,584	3,013	6.3	5.9	7.3
Kittson	2,373	2,378	2,327	210	185	183	8.1	7.2	7.3
Marshall	4,481	4,629	4,207	482	508	546	9.7	9.9	11.5
Norman	3,438	3,579	3,396	195	190	227	5.4	5.0	6.3
Pennington	6,439	6,322	6,066	328	359	360	4.8	5.4	5.6
Poik	13,254	13,885	12,945	1,029	921	1,157	7.2	6.2	8.2
Red Lake	1,381	1,407	1,472	194	189	285	12.3	11.8	16.2
Roseau	8,596	8,745	7,933	230	232	255	2.6	2.6	3.1
REGION 2	29,999	29,421	27,696	1,590	1,549	1,950	5.0	5.0	6.6
Beltrami	15,174	14,989	14,329	667	658	897	4.2	4.2	5.9
Clearwater	2,992	3,040	2,996	332	349	380	10.0	10.3	11.3
Hubbard	7,681	7,200	6,739	382	338	414	4.7	4.5	5.8
Lake of Woods	2,018	2,063	1,668	65	66	95	3.1	3.1	5.4
Mahnomen	2,134	2,129	1,964	144	138	164	6.3	6.1	7.7
REGION 4	93,598	94,448	89,879	3,905	3,773	4,473	4.0	3.8	4.7
Becker	13,287	13,343	13,504	666	636	844	4.8	4.5	5.9
Clay	24,808	25,009	23,674	864	868	972	3.4	3.4	3.9
Douglas	16,024	13,853	14,073	526	534	625	3.6	3.7	4.3
Grant	2,714	2,760	2,632	135	123	114	4.7	4.3	4.2
Otter Tail	24,344	24,624	22,362	1,181	1,110	1,258	4.6	4.3	5.3
Pope	4,527	4,687	4,108	194	180	249	4.1	3.7	5.7
Stevens	4,658	4,788	4,545	121	106	147	2.5	2.2	3.1
Traverse	2,185	2,238	2,017	63	56	67	2.8	2.4	3.2
Wilkin	3,051	3,146	2,964	155	160	197	4.8	4.8	6.2
REGION 5	58,663	59,283	54,381	3,336	3,050	3,724	5.4	4.9	6.4
Cass	8,719	8,685	8,167	593	599	741	6.4	6.5	8.3
Crow Wing	21,838	21,881	20,020	993	907	1,133	4.3	4.0	5.4
Morrison	13,517	13,534	12,397	768	789	874	5.4	5.5	6.6
Todd	9,899	10,215	9,532	627	536	621	6.0	5.0	6.1
Wadena	4,690	4,968	4,265	355	219	355	7.0	4.2	7.7
REGION 6E	54,678	54,800	51,716	2,097	2,064	2,423	3.7	3.6	4.5
Kandiyohi	18,989	19,186	17,590	613	625	753	3.1	3.2	4.1
McLeod	18,777	17,793	16,852	545	551	594	2.8	3.0	3.4
Meeker	8,189	8,304	7,884	468	455	549	5.4	5.2	6.5
Renville	8,723	9,517	9,390	471	433	527	5.1	4.4	5.3
REGION 7E	49,801	50,117	47,193	2,372	2,266	2,603	4.5	4.3	5.2
Chisago	13,891	13,956	13,390	554	555	640	3.8	3.8	4.6
Isanti	11,979	12,035	11,547	380	407	465	3.1	3.3	3.9
Kanabec	5,598	5,655	5,562	377	341	425	6.3	5.7	7.1
Mille Lacs	9,199	9,290	7,997	452	392	452	4.7	4.0	5.3
Pine	9,134	9,181	8,677	609	571	621	6.3	5.9	6.7
REGION 7W	121,332	122,385	115,837	4,767	4,758	5,791	3.8	3.7	4.8
Benton	14,073	14,215	13,390	621	634	742	4.2	4.3	5.3
Sherburne	16,893	17,063	16,073	885	826	910	5.0	4.6	5.4
Stearns	58,651	59,242	55,803	2,153	2,114	2,789	3.5	3.4	4.8
Wright	31,715	31,865	30,571	1,108	1,184	1,350	3.4	3.6	4.2

ST. CLOUD MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	August 1988	July 1988	August 1987	MONTH AGO	YEAR AGO
Total Nonagricultural Wage & Salary	88,926	70,074	67,788	-0.1	3.2
Total Manufacturing	12,811	12,718	11,898	0.7	7.7
Durable Goods	7,083	6,967	6,674	1.7	6.1
Nondurable Goods	5,728	5,751	5,225	-0.4	9.6
Total Nonmanufacturing	57,165	57,356	55,889	-0.3	2.3
Construction & Mining	4,150	4,072	4,512	1.9	-8.0
Transp., Comm., & Pub. Utilities	3,620	3,638	3,323	-0.5	8.9
Trade	22,371	22,441	20,909	-0.3	7.0
Wholesale Trade	3,674	3,723	3,451	-1.6	6.5
Retail Trade	18,697	18,708	17,458	-0.1	7.1
Finance, Insur., & Real Estate	2,450	2,445	2,372	0.2	3.3
Services	14,354	14,234	13,990	0.8	2.5
Health Services	5,165	5,165	5,019	0.0	2.9
Other Services	9,189	9,069	8,979	1.3	2.1
Government	10,220	10,526	10,775	-2.8	-5.2

Employment And The Unemployment Rate Remain Essentially Level For The Last Three Months

Usually, unemployment declines over the summer, but this year it held at near record low levels. In the St. Cloud MSA, for example, the rates for June, July and August have been 3.9; 3.8 and 3.9 percent compared to 5.8, 5.2 and 5.0 percent last year. Rates probably couldn't have gone much lower this year given there are always some workers unemployed while changing jobs. Also encouraging is that although the number of jobs in August may be hovering a little below or over the number in July, in every region they are considerably above year-ago levels. In the St. Cloud MSA, total employment was up 5.1 percent or 4,351 jobs.

Benefiting the MSA's employment most was the manufacturing industry--not typically the best performer in the state or nation. Compared to the over-the-year 3.2 percent job increase for all nonfarm payroll jobs, manufacturing rose by 7.7 percent, driven by both durables and nondurables. The average job increase for all nonmanufacturing employers, in contrast, was 2.3 percent.

The job increase among nonmanufacturers would have been greater had not construction employment dropped 8.0 percent over the year, and government declined by 5.2 percent. Together they accounted for over 900 lost jobs.

Main contributors to the MSA's job increase were transportation, communication and public utilities (up 8.9% over the year) and trade (up 7.0%).

Normally, the MSA's employment increases over the month. This year it wouldn't budge, cutting roughly in half the over-the-year job increase we've become used to seeing during 1988. Perhaps the economy is cooling off. Even if so, with employment having risen so fast, and unemployment having been so low, there's no cause for concern yet.

Northeast Minnesota



By Ron Daws

Unemployment Rates Defied The Usual Trend And Rose In August

Unemployment rates across Region 3, and especially Duluth, rose in August. While Region 3's increase between July and August was unobtrusive at 5.6 to 5.7 percent, Duluth's rate jumped from 5.2 to 5.5 percent. Last year, Duluth's rate dropped from 7.6 to 6.2 percent. While rates across Region 3 (including Duluth) remain well below those of last August, we may be seeing that, 1) rates were about as low this summer as they could go, and 2) the economy may be changing and this is just the onset of upward creeping unemployment. Typically, unemployment is lightest during September, and then it rises as winter approaches. Rising unemployment in September would be further warning.

Employment in Region 3, meanwhile, rose over the year, although it dropped slightly over the month. In Duluth, however, employment fell by about 1,000 workers over the year. Between February and July this year, Duluth had employed more workers than

during the same months last year, so we have another indication that Duluth's economy may be worsening.

Looking at employment changes within Duluth's industries, we find only 186 more nonfarm payroll jobs over the month, and only 197 more over the year.

Over the month only a few industries changed significantly. Durable goods manufacturers collectively lost 4.1 percent of their jobs, construction grew by 13.2 percent, and the large retail trade sector added 2.4 percent more jobs. Of these changes, only the decrease in durable goods was unusual.

Compared to August last year, the significant differences were in construction where jobs were down by 30.5 percent, durable goods producing which was down 4.7 percent, wholesale trade which was down 5.1 percent, and services, mining and miscellaneous which was up by 4.6 percent.

AREA	LABOR FORCE			EMPLOYMENT			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987
REGION 3	138,467	139,082	136,600	130,583	131,252	125,648	7,884	7,830	10,952	5.7	5.6	8.0
Aitkin	5,118	4,974	5,214	4,755	4,611	4,758	363	363	456	7.1	7.3	8.7
Carlton	12,252	12,368	11,917	11,536	11,645	11,093	716	723	824	5.8	5.8	6.9
Cook	3,289	3,194	2,946	3,185	3,097	2,830	104	97	116	3.2	3.0	3.9
Itasca	17,097	16,836	16,660	15,945	15,563	15,184	1,152	1,173	1,476	6.7	7.0	8.9
Koochiching	7,716	8,281	7,256	7,333	7,880	6,811	383	401	455	5.0	4.8	6.3
Lake	3,974	4,096	3,517	3,622	3,743	2,981	352	353	536	8.9	8.6	15.2
St. Louis	89,021	89,333	89,080	84,207	84,613	81,991	4,814	4,720	7,089	5.4	5.3	8.0
City of Duluth	38,461	38,511	37,740	36,347	36,522	35,390	2,114	1,989	2,350	5.5	5.2	6.2
Balance St. Louis	50,560	50,822	51,340	47,860	48,091	46,601	2,700	2,731	4,739	5.3	5.4	9.2

DULUTH AND DULUTH-SUPERIOR MSA NONFARM WAGE & SALARY EMPLOYMENT										
INDUSTRY	EMPLOYMENT - DULUTH			PERCENT CHANGE		EMPLOYMENT - DULUTH-SUPERIOR			PERCENT CHANGE	
	August 1988	July 1988	August 1987	MO. AGO	YR. AGO	August 1988	July 1988	August 1987	MO. AGO	YR. AGO
Total Nonfarm Wage & Salary	44,230	44,044	44,033	0.4	0.4	89,662	89,628	88,888	0.0	0.9
Total Manufacturing	3,807	3,873	3,842	-1.7	-0.9	7,829	7,856	7,705	-0.3	1.6
Durable Goods	1,512	1,576	1,586	-4.1	-4.7	4,234	4,255	4,120	-0.5	2.8
Nondurable Goods	2,295	2,297	2,256	-0.1	1.7	3,595	3,601	3,585	-0.2	0.3
Total Nonmanufacturing	40,423	40,171	40,191	0.6	0.6	81,833	81,772	81,183	0.1	0.8
Construction	1,628	1,438	2,343	13.2	-30.5	4,010	3,682	5,260	8.9	-23.8
Transp., Com., Pub. Util.	2,845	2,867	2,896	-0.8	-1.8	6,111	6,140	5,884	-0.5	3.9
Total Trade	11,380	11,158	11,165	2.0	1.9	22,142	22,170	22,387	-0.1	-1.1
Wholesale Trade	1,607	1,617	1,693	-0.6	-5.1	3,501	3,516	3,545	-0.4	-1.2
Retail Trade	9,773	9,541	9,472	2.4	3.2	18,641	18,654	18,842	-0.1	-1.1
Finan., Insur., Real Est.	1,861	1,848	1,842	0.7	1.0	3,254	3,256	3,161	-0.1	2.9
Services, Mining, & Misc.	12,512	12,475	11,967	0.3	4.6	26,573	26,405	25,137	0.6	5.7
Health Services	5,518	5,543	5,255	-0.5	5.0	9,036	9,017	8,510	0.2	6.2
Other Services	5,981	5,919	5,762	1.0	3.8	10,913	10,742	10,304	1.6	5.9
Government	10,197	10,385	9,978	-1.8	2.2	19,743	20,119	19,354	-1.9	2.0

Southern Minnesota



By Sue Borgfelt

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987	Aug 1988	July 1988	Aug 1987
REGION 6W	23,600	23,902	22,905	848	829	1,171	3.5	3.4	4.9
Big Stone	2,937	3,001	2,766	117	113	158	3.8	3.6	5.4
Chippewa	6,310	6,436	6,348	245	234	305	3.7	3.5	4.6
Lac Qui Parle	4,039	4,129	3,867	124	112	158	3.0	2.6	3.9
Swift	4,630	4,627	4,413	190	201	283	3.9	4.2	6.0
Yellow Medicine	5,684	5,709	5,511	172	169	267	2.9	2.9	4.6
REGION 8	58,636	59,585	55,345	2,002	2,356	2,808	3.3	3.8	4.8
Cottonwood	5,781	5,914	5,564	352	531	461	5.7	8.2	7.7
Jackson	4,913	5,030	4,777	304	316	594	5.8	5.9	11.1
Lincoln	3,076	3,160	3,090	66	96	97	2.1	2.9	3.0
Lyon	12,147	12,226	11,646	352	414	478	2.8	3.3	3.9
Murray	4,650	4,749	4,400	184	209	203	3.8	4.2	4.4
Nobles	10,663	10,809	9,459	299	317	369	2.7	2.8	3.8
Pipestone	5,491	5,499	4,890	125	147	130	2.2	2.6	2.6
Redwood	7,463	7,632	7,166	231	219	313	3.0	2.8	4.2
Rock	4,452	4,566	4,353	89	107	163	2.0	2.3	3.6
REGION 9	108,323	108,131	104,352	3,503	3,471	4,777	3.1	3.1	4.4
Blue Earth	27,240	27,680	26,024	776	709	915	2.8	2.5	3.4
Brown	13,598	13,609	13,300	467	471	477	3.3	3.3	3.5
Faribault	8,436	8,486	7,975	248	247	319	2.9	2.8	3.8
Le Sueur	11,818	11,084	11,035	518	584	711	4.2	5.0	6.1
Martin	10,956	10,788	12,093	531	500	1,016	4.6	4.4	7.8
Nicollet	13,965	14,190	13,341	331	295	456	2.3	2.0	3.3
Sibley	6,723	6,755	6,388	234	244	328	3.4	3.5	4.9
Waseca	9,775	9,620	9,064	262	272	377	2.6	2.7	4.0
Watonswan	5,812	5,919	5,132	136	149	178	2.3	2.5	3.4
REGION 10	216,962	218,086	205,744	6,819	6,911	8,711	3.0	3.1	4.1
Dodge	7,945	8,154	7,675	269	309	400	3.3	3.7	5.0
Fillmore	9,159	9,332	9,074	429	436	503	4.5	4.5	5.3
Freeborn	16,858	17,032	15,869	525	487	807	3.0	2.8	4.8
Goodhue	20,493	20,354	19,625	638	658	829	3.0	3.1	4.1
Houston	8,975	9,050	8,510	322	342	364	3.5	3.6	4.1
Mower	15,902	16,130	15,857	533	564	786	3.2	3.4	4.7
Olmsted	59,034	58,875	55,984	1,409	1,505	1,734	2.3	2.5	3.0
Rice	27,216	27,799	24,859	961	906	1,240	3.4	3.2	4.8
Steele	16,143	16,209	15,694	550	526	663	3.3	3.1	4.1
Wabasha	9,393	9,366	8,980	309	322	416	3.2	3.3	4.4
Winona	25,844	25,785	23,617	874	856	969	3.3	3.2	3.9
Rochester City	36,504	36,406	34,618	1,028	1,118	1,206	2.7	3.0	3.4

Employment and Unemployment Drop in Southern Minnesota.

For most of Southern Minnesota (excepting Region 9), the number of employed and unemployed declined as the number of people in the labor force decreased. These were all largely seasonal developments, and resulted in a slight seasonal drop in the overall unemployment rate from 3.2 percent last month to 3.1 percent this August.

The labor force and employment continued to rise in some counties, especially in regions 9 and 10. Nonfarm employment in the Rochester MSA grew 0.9 percent over the month, to bring it 3.5 percent higher than it was during August 1987. Health services and construction propelled this rise, adding 313 and 165 jobs, respectively, over the month. Workers in the booming construction industry increased by 7.7 percent since July, a healthy increase even for this time of year. Employment in transportation, communication, and public utilities jumped 2.7 percent over the month.

Wholesale trade, durable goods manufacturing, and construction employment levels were each up by more than seven percent over the year. The number of jobs in wholesale trade has risen gradually every month since February to reach the highest level since September 1984. Durable goods manufacturing, except for last month, employed more workers than at any other time since at least 1975, as far back as our records go. Construction employment is higher than at any time since September 1980.

Nonmedical services, government (for mostly seasonal reasons), and finance, insurance and real estate lost jobs over the month. Nondurable goods manufacturing was the only industry to lose jobs since last year. Most likely this was drought-related, because the over-the-year percent gain gradually diminished from 5.2 percent in March to 1.4 percent in July. During August, employment was slightly below last year's level (by 0.2 percent or 5 jobs).

ROCHESTER MSA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	August 1988	July 1988	August 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	59,289	58,776	57,283	0.9%	3.5%
Total Manufacturing	11,696	11,665	11,028	0.3%	6.1%
Durable Goods	9,594	9,594	8,921	0.0%	7.5%
Nondurable Goods	2,102	2,071	2,107	1.5%	-0.2%
Total Nonmanufacturing	47,593	47,111	46,255	1.0%	2.9%
Construction & Mining	2,301	2,136	2,148	7.7%	7.1%
Transp., Comm., & Public Util.	1,742	1,697	1,662	2.7%	4.8%
Total Trade	11,687	11,619	11,553	0.6%	1.2%
Wholesale Trade	1,295	1,280	1,201	1.2%	7.8%
Retail Trade	10,392	10,339	10,352	0.5%	0.4%
Finan., Insur., & Real Estate	1,649	1,672	1,579	-1.4%	4.4%
Total Services	25,034	24,771	24,246	1.1%	3.3%
Health Services	17,788	17,475	17,058	1.8%	4.3%
Other Services	7,246	7,296	7,188	-0.7%	0.8%
Government	5,180	5,216	5,067	-0.7%	2.2%



MINNESOTA Labor Market Review



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Selected Minnesota Program Statistics

Distribution of Insured Unemployed by Industry and Occupation, August 1988					Distribution of Insured Unemployed, by Age and Sex, August 1988				
Industry Attachment	Number	Percent of Total	Percent */ Long-Term Unemployed	Women as Percent of Total	Age Groups	Number	Percent Distribution		
							Men of Totals	Men of Men	Women of Women
TOTAL, ALL INDUSTRIES	24519	100.0	22.0	44.5	TOTALS	24519	55.7	100.0	100.0
Ag., For., Fish.	297	1.2	14.2	34.7	Under 45	18037	56.5	74.6	72.2
Mining	31	0.1	33.3	20.8	Under 25	2409	57.5	10.1	9.4
Construction	3161	12.9	18.0	6.1	25-34	8987	57.2	37.7	35.4
Manufacturing	5899	24.1	24.9	40.6	35-44	6641	55.2	26.8	27.4
Public Utilities	1080	4.4	24.1	28.1	45 and over	6482	53.5	25.4	27.8
Wholesale Trade	1962	8.0	26.5	36.8	45-54	3851	53.3	15.0	16.5
Retail Trade	3128	12.8	24.3	52.3	55 and over	2631	53.6	10.4	11.2
Fin., Ins., Re. Est.	1232	5.0	31.3	64.7					
Services	6489	26.5	18.5	64.1					
Public Admin.	403	1.6	20.1	64.8					
Info. Not Available	837	3.4	7.3	38.0					
Occupational Attachment					Experienced Supply/Job Openings Demand **/				
Occupational Attachment					Applicants (Supply)	Job Openings (Demand)	Supply/Demand Ratio		
					August 1988	August 1988	Aug. 1988	Aug. 1987	
TOTAL, ALL OCCUPATIONS	24519	100.0	22.0	44.5	69514	29762	2.3	3.5	
Prof., Tech., Mgr.	6588	26.9	23.2	48.6	12749	2677	4.8	6.5	
Clerical	3916	16.0	25.1	84.6	13525	4613	2.9	3.7	
Sales	1281	5.2	26.1	36.4	4260	3592	1.2	1.9	
Services	1924	7.8	21.0	60.0	7902	8839	0.9	1.6	
Farm, For., Fish.	210	0.9	18.9	22.9	2761	632	4.4	14.2	
Processing	803	3.3	25.4	45.5	1326	2046	0.6	1.2	
Machine Trades	1349	5.5	19.7	20.1	4060	1007	4.0	5.8	
Benchwork	1910	7.8	18.6	61.3	4313	1598	2.7	3.7	
Structural Work	3622	14.8	17.4	2.8	9006	1567	5.7	8.8	
Misc., and INA	2916	11.9	21.9	26.4	9612	3191	3.0	3.9	

*/ Long-term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

**/ Inexperienced and improperly coded job applicants are not included in this table.

MINNESOTA Labor Market Review

October 1988 Supplement

Nation

Unemployment Rate Declines While Payroll Employment Continues To Grow Slowly

September's seasonally adjusted unemployment rate dropped 0.2 of a point to 5.4 percent, the same as in July and slightly above the current expansion's low of 5.3 percent in June. Meanwhile, seasonally adjusted nonfarm payroll employment rose by 255,000 in September after a gain of 169,000 in August. Employment growth had averaged 324,000 per month between January and July. Also, a significant portion of the September increase was in state and local government education. Moreover, employment in manufacturing fell for the second straight month in September, dropping by 18,000 after a decline of 19,000 in August.

Most Other Indicators Show Slow Growth in September And The Third Quarter

Dragged down by the drought and the trade deficit, real gross national product rose by only 2.2 percent in the third quarter, the smallest increase in almost two years. Also, retail sales fell for the second consecutive month in September while industrial production and personal spending were unchanged. Meanwhile, housing starts and personal income rose moderately in September.

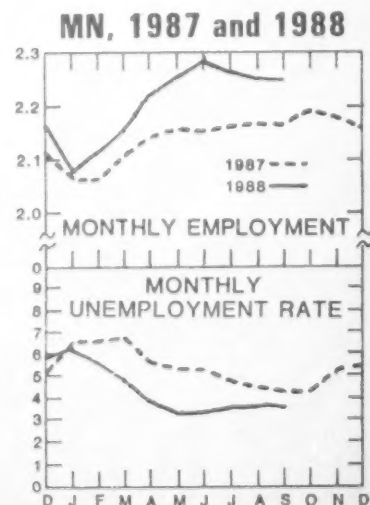
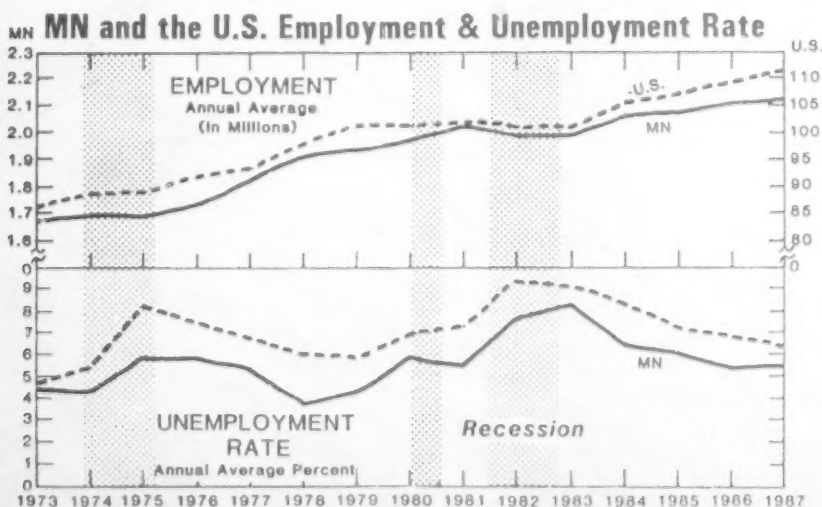
State

Unemployment Rate Shows Seasonal Decline; Payroll Employment Rises Moderately Again In September

The State's seasonally unadjusted unemployment rate dropped from 3.6 percent in August to 3.4 percent in September. The drop in the rate was expected since the rate usually falls in September. In September 1987 the rate was 4.2 percent. However, seasonally adjusted nonfarm payroll employment registered its smallest increase since April, rising by 3,027 after larger gains in earlier months. Although employment in manufacturing fell sharply in September, the decline may have been overstated since most of the drop took place in the canning and sugar refining components of the food processing industry where employment is volatile at this time of the year. Large declines also occurred in building construction and nonbanking finance. Employment in building construction has fallen in five of the past six months. On the brighter side, there were sizeable and widespread gains in retail trade and further increases in the services industry, particularly in health services and business services.

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	September 1988	Change From		September 1988	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force *	2329.9	-13.4	68.0	121.8	-1.6	2.0
Employed	2249.6	-8.9	83.2	115.5	-1.3	2.4
Unemployed	80.3	-4.5	-15.1	6.4	-0.3	-0.5
Unemployment Rate						
Actual	3.4	-0.2	-0.8	5.2	-0.2	-0.5
Seasonally Adjusted	n.a.	n.a.	n.a.	5.4	-0.2	-0.5

* Components may not add to Civilian Labor Force due to rounding.



Minnesota Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Sept. 1988	Aug. 1988	Sept. 1987	Aug. 1988	Sept. 1987	Sept. 1988	Sept. 1987	Sept. 1988	Sept. 1987	Sept. 1988	Sept. 1987
Total Nonagricultural	2,051.3	2,036.0	1,990.9	0.8	3.0	-	-	-	-	-	-
Manufacturing	397.0	399.4	384.0	-0.6	3.4	438.01	425.77	10.58	10.41	41.4	40.9
Durable Goods	235.0	235.3	225.3	-0.1	4.3	460.28	453.42	10.83	10.77	42.5	42.1
Lumber and Furniture	23.8	24.2	22.4	-1.4	6.3	518.83	503.42	12.01	11.52	43.2	43.7
Stone, Clay and Glass	9.4	9.6	9.2	-1.6	2.4	428.89	423.69	10.41	10.41	41.2	40.7
Primary Metals	7.3	7.2	6.5	1.4	12.5	426.51	403.42	9.76	9.47	43.7	42.6
Fabricated Metals	33.7	34.0	33.7	-0.7	0.0	526.18	515.48	12.18	11.96	43.2	43.1
Nonelectrical Machinery	82.3	82.3	79.6	0.0	3.4	478.13	473.20	11.25	11.24	42.5	42.1
Office and Computing	39.2	39.4	39.2	-0.3	0.0	506.48	537.34	11.59	12.24	43.7	43.9
Electrical Machinery	30.6	30.4	28.5	0.7	7.5	354.03	363.72	8.49	8.66	41.7	42.0
Transportation Equipment	10.5	10.3	10.0	1.8	5.2	528.43	511.06	12.12	11.83	43.6	43.2
Scientific Instruments	31.4	31.4	30.2	-0.1	3.9	430.12	411.43	10.29	10.26	41.8	40.1
Misc. Manufacturing	5.9	5.9	5.3	0.6	12.5	431.63	399.59	10.18	10.04	42.4	39.8
Non-durable Goods	162.0	164.1	158.7	-1.3	2.1	410.62	392.03	10.24	9.95	40.1	39.4
Food and Kindred	49.9	51.8	49.9	-3.6	-0.1	377.39	344.46	9.05	8.59	41.7	40.1
Textiles and Apparel	5.0	5.0	5.1	-0.4	-2.0	285.38	266.64	7.59	7.26	37.6	36.7
Paper and Allied	32.6	33.0	32.8	-1.2	-0.5	513.68	503.71	12.03	11.88	42.7	42.4
Printing and Publishing	47.4	47.3	45.1	0.2	5.0	412.91	393.45	11.07	10.52	37.3	37.4
Chemicals and Petroleum	11.1	11.2	11.0	-1.5	0.9	496.05	496.92	12.59	12.30	39.4	40.4
Rubber, Plastic & Leather	16.1	15.8	14.8	1.4	8.1	350.56	338.20	8.92	8.90	39.3	38.0
Nonmanufacturing	1,654.3	1,636.6	1,606.9	1.1	3.0	-	-	-	-	-	-
Mining	7.5	7.6	7.0	-0.5	7.8	562.03	560.72	12.95	12.89	43.4	43.5
Metal Mining	5.4	5.4	4.8	0.1	11.5	592.25	620.13	13.87	14.03	42.7	44.2
Construction	89.9	90.9	94.3	-1.1	-4.6	608.00	563.18	15.67	15.18	38.8	37.1
Transp., Comm., Pub. Util.	104.1	100.8	102.0	3.2	2.0	-	-	-	-	-	-
Transportation	69.3	66.0	67.8	4.9	2.2	-	-	-	-	-	-
Trucking & Warehousing	26.5	26.2	26.8	1.0	-1.2	419.65	418.61	12.64	12.24	33.2	34.2
Comm. & Public Util.	34.8	34.8	34.2	-0.1	1.7	588.46	584.54	14.86	14.65	39.6	39.9
Trade	515.0	515.1	496.8	0.0	3.7	232.85	233.22	7.84	7.80	29.7	29.9
Wholesale	126.5	127.7	122.2	-0.9	3.5	419.61	423.93	10.65	10.87	39.4	39.0
Retail	388.5	387.4	374.5	0.3	3.7	178.89	179.09	6.65	6.56	26.9	27.3
Building Materials	18.1	18.3	17.6	-1.1	2.7	329.76	315.35	8.61	8.50	38.3	37.1
General Merchandise	56.9	56.0	53.4	1.5	6.5	158.36	160.40	6.36	6.03	24.9	26.6
Food Stores	52.2	52.2	49.8	0.0	4.8	198.33	198.25	7.16	7.03	27.7	28.2
Automotive	41.8	41.8	40.2	-0.1	3.9	313.90	320.59	9.02	8.93	34.8	35.9
Apparel	19.9	19.7	19.7	0.7	1.0	122.35	126.62	5.39	5.32	22.7	23.8
Home Furnishings	17.7	17.5	16.3	1.2	8.3	250.36	250.57	8.05	7.98	31.1	31.4
Eating and Drinking	132.7	133.2	129.3	-0.4	2.6	112.27	107.84	4.86	4.73	23.1	22.8
Fin., Insur., Real Estate	123.7	125.1	120.9	-1.4	2.3	-	-	-	-	-	-
Finance	56.1	57.0	55.9	-1.5	0.4	-	-	-	-	-	-
Insurance	46.0	46.4	44.3	-0.8	3.7	-	-	-	-	-	-
Real Estate	21.5	21.7	20.6	-0.8	4.5	-	-	-	-	-	-
Services	506.4	503.4	485.2	0.6	4.4	1/ Totals may not add because of rounding. 2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Personal Services	26.2	25.4	25.2	3.2	3.8						
Business Services	102.0	101.8	94.1	0.2	8.3						
Repair Services	21.3	21.1	19.6	0.9	8.7						
Health Services	154.9	154.7	150.5	0.1	2.9						
Hospitals	53.3	53.5	51.5	-0.4	3.5						
Nursing Homes	41.4	41.5	41.7	-0.1	-0.7						
Legal Services	15.0	15.0	14.2	-0.6	5.2						
Private Education	23.6	19.6	23.0	20.4	2.6						
Government	307.8	293.7	300.7	4.8	2.3						
Federal	33.9	34.1	33.1	-0.8	2.3						
State	73.8	70.4	71.2	4.8	3.6						
Education	35.8	32.3	34.7	10.8	3.3						
Local	200.1	189.2	196.4	5.8	1.9						
Education	101.8	86.8	98.6	17.3	3.2						

Minneapolis-St. Paul MSA



By Kevin Alaspa

September Unemployment Rate Declines

The unemployment rate in the Twin Cities metropolitan area declined from 3.3 percent in August to 3.2 percent in September, which was in line with the 0.2 percent decline in the state's unemployment rate between these two months. Ordinarily, the unemployment rate is lowest in either September or October before rising in subsequent months.

Wage And Salary Employment Changes Slightly

Total wage and salary employment rose by 5,400, and all gains took place in nonmanufacturing industries. Manufacturing employment decreased by about 1,800, almost evenly divided between the durable and nondurable sectors. Transportation, communications and public utilities grew by 1,800, while finance, insurance and real estate declined by 700, largely due to modest cutbacks among banks and savings and loan associations. Wholesale trade jobs declined slightly while retail trade employment remained steady. Construction jobs declined by about 300, and further seasonal declines are expected in future months. Employment increased in educational

services, coinciding with the beginning of the school year. Government employment rose by 5,300 as local school districts added workers.

In the next few months, employment in the Twin Cities will be influenced somewhat by seasonal factors. Construction and other outdoor activity will continue to wind down, and retailers will be gearing up for the holiday season. Employment in September was 3.2 percent higher than in September, 1987, and the steady job growth that has taken place over the past year has reflected the strong economic conditions prevailing in the metropolitan area.

Job creation continues primarily among smaller firms, especially those that manufacture specialized products. The service sector, notably personal and business services, continues to add workers. The diversity of industries in the metropolitan area, coupled with recently strengthened export markets, has resulted in relatively prosperous business conditions for many local firms. This in turn has helped employment increase steadily in the metropolitan area.

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			RATE OF UNEMPLOYMENT		
	Sept 1988	Aug 1988	Sept 1987	Sept 1988	Aug 1988	Sept 1987	Sept 1988	Aug 1988	Sept 1987
Mpls-St.Paul MSA	1,336,427	1,352,329	1,294,864	43,858	45,757	51,674	3.2	3.3	3.8
REGION 11	1,254,686	1,269,939	1,215,997	41,277	42,970	48,649	3.2	3.3	3.8
Anoka	125,717	127,245	121,840	4,452	4,365	4,866	3.4	3.3	3.8
Carver	23,058	23,338	22,347	650	642	737	2.7	2.7	3.2
Dakota	132,223	133,830	128,145	4,446	4,498	5,430	3.3	3.3	4.1
Hennepin	603,648	610,987	585,034	20,140	21,175	23,348	3.2	3.3	3.8
Ramsey	272,825	276,142	264,413	8,634	9,193	10,783	3.1	3.2	3.9
Scott	27,125	27,455	26,289	981	996	1,166	3.5	3.5	4.2
Washington	70,090	70,942	67,929	1,974	2,101	2,319	2.7	2.9	3.3
Chisago	13,745	13,912	13,321	528	558	655	3.7	3.9	4.7
Isanti	11,854	11,998	11,488	385	381	417	3.1	3.1	3.5
Wright	31,382	31,765	30,415	1,060	1,109	1,180	3.3	3.4	3.7
St. Croix, WI	24,760	24,715	23,643	608	739	773	2.4	2.9	3.2
Bloomington	56,894	57,586	55,140	1,823	2,003	2,079	3.1	3.4	3.6
Minneapolis	210,471	213,030	203,981	8,069	8,519	9,526	3.7	3.8	4.5
St. Paul	144,838	146,599	140,373	5,273	5,713	6,904	3.5	3.8	4.7

Mpls.-St. Paul Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Sept. 1986	Aug. 1986	Sept. 1987	Aug. 1986	Sept. 1987	Sept. 1986	Sept. 1987	Sept. 1986	Sept. 1987	Sept. 1986	Sept. 1987
Total Nonagricultural	1323.4	1318.0	1299.5	0.4	2.0						
Manufacturing	263.1	264.9	257.6	-0.7	2.1	470.20	459.61	11.33	11.21	41.5	41.0
Durable Goods	164.5	165.5	160.1	-0.5	2.7	481.66	479.26	11.36	11.33	42.4	42.3
Lumber and Furniture	10.3	10.6	10.0	-2.6	2.6	563.60	552.83	12.78	12.15	44.1	45.5
Stone, Clay and Glass	3.7	3.8	3.4	-2.4	9.9	485.52	468.84	11.90	11.11	40.8	42.2
Primary Metals	5.2	5.1	4.8	1.0	9.0	432.32	407.66	9.65	9.35	44.8	43.6
Fabricated Metals	25.8	26.1	26.1	-1.1	-1.2	536.74	543.42	12.81	12.55	41.9	43.3
Nonelectrical Machinery	64.5	64.7	62.8	-0.3	2.6	487.60	492.46	11.50	11.56	42.4	42.6
Office and Computing	31.3	31.6	31.8	-0.8	-1.6	485.21	524.38	11.18	11.81	43.4	44.4
Electrical Machinery	16.4	16.5	16.2	-0.6	1.4	367.11	373.46	9.02	9.29	40.7	40.2
Transportation Equipment	5.8	5.9	5.6	1.2	5.6	721.47	674.88	15.65	14.80	46.1	45.6
Scientific Instruments	28.8	29.9	28.0	-0.1	4.7	438.69	419.49	10.47	10.54	41.9	39.8
Misc. Manufacturing	3.4	3.4	3.3	1.3	4.8	475.28	414.12	10.40	10.20	45.7	40.6
Nondurable Goods	98.6	98.6	97.5	-1.0	1.1	452.33	432.77	11.28	11.04	40.1	39.2
Food and Kindred	18.4	18.9	19.0	-2.6	-2.9	513.98	441.38	11.55	10.61	44.5	41.6
Textiles and Apparel	2.2	2.3	2.0	-3.5	8.3	275.18	252.02	7.28	7.18	37.8	35.1
Paper and Allied	25.0	25.3	25.3	-1.3	-1.0	485.96	459.60	11.94	11.49	40.7	40.0
Printing and Publishing	32.7	32.7	31.8	-0.2	2.8	415.38	408.85	10.96	11.08	37.9	36.9
Chemicals and Petroleum	8.4	8.6	8.3	-1.7	1.7	549.20	541.49	13.73	13.37	40.0	40.5
Rubber, Plastic & Leather	10.9	10.7	10.2	1.6	6.6	375.77	393.03	9.66	9.90	38.9	39.7
Nonmanufacturing	1060.3	1053.1	1041.9	0.7	2.0						
Mining	0.6	0.6	0.6	0.5	0.8	311.93	208.78	9.84	8.03	31.7	26.0
Construction	59.9	60.2	59.5	-0.5	0.6	643.13	592.03	17.15	16.63	37.5	35.6
Transp., Comm., Pub. Util.	72.2	76.2	71.1	2.6	4.4						
Transportation	49.1	47.2	48.7	3.8	0.9						
Trucking & Warehousing	15.9	15.9	16.6	-0.5	-4.2	398.34	391.90	13.19	13.02	30.2	30.1
Comm. & Public Util.	25.1	22.9	22.4	9.3	12.0	609.84	578.24	15.40	14.42	39.6	40.1
Trade	328.4	328.7	324.6	-0.1	0.6	259.88	257.00	8.75	8.51	29.7	30.2
Wholesale	87.1	87.5	84.2	-0.5	3.4	453.18	456.95	11.62	11.51	39.0	39.7
Retail	239.3	239.2	240.4	0.1	-0.4	199.12	196.56	7.43	7.20	26.8	27.3
Building Materials	10.0	11.0	10.4	-1.9	3.5	375.35	352.45	10.09	9.50	37.2	37.1
General Merchandise	39.3	38.8	38.5	1.0	2.1	167.33	174.43	6.64	6.32	25.2	27.6
Food Stores	28.0	27.8	28.1	0.6	-0.3	253.16	241.96	8.76	8.46	28.9	28.6
Automotive	23.6	24.0	23.5	-0.7	1.4	366.73	396.15	10.02	10.21	36.6	38.8
Apparel	12.8	12.8	13.1	0.2	-2.4	114.70	125.53	5.36	5.53	21.4	22.7
Home Furnishings	11.8	11.7	11.3	0.9	5.0	258.81	229.50	8.57	7.50	30.2	30.6
Eating and Drinking	81.9	82.5	85.2	-0.8	-4.0	124.21	117.08	5.57	5.25	22.3	22.3
Fin., Insur., Real Estate	98.3	97.0	93.9	-0.7	2.6	-	-	-	-	-	-
Finance	42.0	41.4	40.1	-1.0	2.4	-	-	-	-	-	-
Insurance	38.4	38.5	37.3	-0.4	2.9	-	-	-	-	-	-
Real Estate	16.9	17.0	16.5	-0.8	2.4	-	-	-	-	-	-
Services	338.9	337.5	330.2	0.4	2.6						
Personal Services	18.4	18.3	17.6	0.6	4.2						
Business Services	83.1	82.2	80.5	1.1	3.2						
Repair Services	15.5	15.5	14.5	-0.5	6.8						
Health Services	85.8	85.6	85.1	0.3	0.9						
Hospitals	30.6	30.5	30.9	0.3	-0.9						
Nursing Homes	21.6	21.6	22.2	0.3	-2.8						
Legal Services	11.9	12.0	11.2	-0.6	5.6						
Private Education	15.3	13.9	16.2	10.5	-5.4						
Government	166.1	160.8	162.0	3.3	2.6						
Federal	20.6	20.7	20.0	-0.5	2.8						
State	49.2	48.9	46.5	0.6	5.8						
Education	24.7	24.4	22.9	1.2	8.2						
Local	96.4	91.2	95.4	5.6	0.9						
Education	48.3	41.1	47.6	17.5	1.5						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Central and Northwest Minnesota



AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP RATE		
	Sept 1988	Aug 1988	Sept 1987	Sept 1988	Aug 1988	Sept 1987	Sept 1988	Aug 1988	Sept 1987
St. Cloud MSA	91,041	89,593	85,606	3,718	3,664	4,017	3.9	3.9	4.5
REGION 1	41,559	40,070	39,987	2,333	2,672	2,229	5.3	6.3	5.3
Kittson	2,473	2,382	2,406	181	211	147	6.8	8.1	5.8
Marshall	4,725	4,493	4,448	404	482	407	7.9	9.7	8.4
Norman	3,532	3,449	3,460	177	195	168	4.8	5.4	4.6
Pennington	6,521	6,452	6,127	288	329	320	4.2	4.9	5.0
Polk	14,225	13,288	14,178	858	1,031	787	5.7	7.2	5.3
Red Lake	1,499	1,385	1,532	167	194	190	10.0	12.3	11.0
Roseau	8,584	8,621	7,836	258	230	207	2.9	2.6	2.6
REGION 2	31,476	30,103	28,910	1,415	1,593	1,672	4.3	5.0	5.5
Beltrami	16,124	15,220	14,938	631	669	789	3.8	4.2	5.0
Clearwater	3,369	3,002	3,292	291	333	310	8.0	10.0	8.6
Hubbard	7,635	7,714	6,838	316	382	362	4.0	4.7	5.0
Lake of Woods	2,034	2,026	1,626	63	65	86	3.0	3.1	5.0
Mahnomen	2,314	2,141	2,216	114	144	125	4.7	6.3	5.3
REGION 4	92,527	93,811	91,180	3,170	3,916	3,839	3.3	4.0	4.0
Becker	13,189	13,330	13,570	570	667	705	4.1	4.8	4.9
Clay	24,840	24,806	24,071	626	864	772	2.5	3.4	3.1
Douglas	13,957	14,068	14,146	464	528	636	3.2	3.8	4.3
Grant	2,745	2,723	2,666	121	135	122	4.2	4.7	4.4
Otter Tail	22,984	24,420	22,507	946	1,405	1,068	4.0	4.6	4.5
Pope	4,641	4,540	4,267	177	195	198	3.7	4.1	4.4
Stevens	4,781	4,672	4,795	103	121	147	2.1	2.5	3.0
Traverse	2,184	2,192	1,991	56	63	65	2.5	2.8	3.2
Wilkin	3,206	3,060	3,167	107	158	126	3.2	4.9	3.8
REGION 5	58,765	58,862	54,811	3,078	3,344	3,296	5.0	5.4	5.7
Cass	8,563	8,755	7,917	535	595	622	5.9	6.4	7.3
Crow Wing	21,873	21,911	20,201	967	995	1,037	4.2	4.3	4.9
Morrison	13,611	13,561	12,627	835	770	820	5.8	5.4	6.1
Todd	9,933	9,929	9,602	535	629	560	5.1	6.0	5.5
Wadena	4,785	4,706	4,464	206	355	257	4.1	7.0	5.4
REGION 6E	55,521	54,827	51,386	2,096	2,100	2,364	3.6	3.7	4.4
Kandiyohi	19,341	19,041	17,990	644	615	717	3.2	3.1	3.8
McLeod	18,629	18,824	16,843	605	545	678	3.1	2.8	3.9
Meeker	8,309	8,212	7,665	397	469	494	4.6	5.4	6.1
Renville	9,242	8,750	8,888	450	471	475	4.6	5.1	5.1
REGION 7E	50,281	49,910	47,832	2,193	2,381	2,431	4.2	4.6	4.8
Chisago	13,745	13,912	13,321	528	558	655	3.7	3.9	4.7
Isanti	11,854	11,998	11,488	385	381	417	3.1	3.1	3.5
Kanabec	5,633	5,614	5,586	330	377	343	5.5	6.3	5.8
Millie Lacs	9,478	9,226	8,250	408	454	435	4.1	4.7	5.0
Pine	9,571	9,160	9,187	542	611	581	5.4	6.3	5.9
REGION 7W	122,423	121,358	116,021	4,778	4,773	5,197	3.8	3.8	4.3
Benton	14,296	14,069	13,443	658	624	698	4.4	4.2	4.9
Sherburne	17,161	16,888	16,137	966	887	850	5.3	5.0	5.0
Stearns	59,584	58,636	56,026	2,094	2,153	2,469	3.4	3.5	4.2
Wright	31,382	31,765	30,415	1,060	1,109	1,180	3.3	3.4	3.7

By Ron Daws

Employment Little Changed Over The Month While Unemployment Dropped

Unemployment rates among most Central and Northwest counties have dropped since August while employment levels generally edged up. Obviously, the economy remains strong as the fourth quarter of 1988 approaches.

The St. Cloud MSA's unemployment rate has remained essentially unchanged at 3.9 percent since July. Normally, the rate edges downward during the summer. Employment rose in September to 91,041, 1,442 more jobs than during August, a typical gain for this time of year. Compared to September of 1987, jobs were up by 5,435, a 6.4 percent increase.

There were more nonfarm payroll workers in the St. Cloud MSA during September than during any previous month. Increases over September last year, however, are no longer as high as during January and February (4,317 and 4,916), but still there were over 3,300 more salaried workers (4.8%) than a year ago. Since August, nonfarm payroll jobs were seasonally up by 2,569 (3.7%).

The fastest growing industries over the year were retail trade--up by 9.3 percent (1,678 jobs), transportation, communications and public utilities--up 8.3 percent, manufacturing--up 7.7 percent, and wholesale trade--up 6.4 percent. Only construction and mining lost employment, dropping by 8.9 percent (415 jobs). More than 63 percent of the total gain in nonfarm payroll was generated by the huge and fast moving retail trade industry.

Compared with August, by far the best employment gainer was government, swelling by 14.1 percent, or 1,438 jobs. But it was just normal gearing up for the school year. Except for the 7.1 percent gain in nonmedical service jobs over the month, there were few employment changes among the remaining industries.

ST. CLOUD MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	Sept. 1988	Aug. 1988	Sept. 1987	MONTH AGO	YEAR AGO
Total Nonfarm Wage & Salary	72,432	69,893	69,119	3.7	6.8
Total Manufacturing	12,705	12,674	11,795	0.2	7.5
Durable Goods	7,137	7,037	6,838	1.4	2.9
Non-durable Goods	5,568	5,637	5,337	-1.2	5.6
Total Nonmanufacturing	59,727	57,219	57,324	4.4	4.2
Construction & Mining	4,245	4,118	4,860	3.1	-8.9
Trans., Comm., & Pub. Util.	3,703	3,610	3,410	2.4	5.3
Total Trade	22,718	22,786	20,871	1.0	8.6
Wholesale Trade	3,666	3,670	3,447	-0.1	6.4
Retail Trade	19,052	19,116	17,424	1.3	9.3
Finan., Insur., & Real Estate	2,455	2,427	2,363	0.9	2.6
Total Services	14,968	14,332	14,652	4.4	2.1
Health Services	5,139	5,163	5,062	-0.5	1.9
Other Services	9,819	9,169	9,590	7.1	2.3
Government	11,640	10,210	11,358	14.1	2.6

Northeast Minnesota



By Ron Daws

Unemployment Drops While Employment Rises

Last month it looked as though unemployment might be heading up, but September's rates were all down. Duluth's rate subsided to 5.3 percent. Except for September 1985's 4.4 percent, it was the lowest September rate during the 1980s. A year ago the rate was 5.8 percent.

Although employment dropped by 302 over the month, it increased by 1,136 jobs (up 3.3%) over the year. Duluth has never had more jobs during September since the 1981-82 recession.

Duluth's nonfarm payroll employment has held steady at just over 44,000 for the past three months and a bit over last year's July, August, and September levels. Other than during 1985, employment hasn't been higher during September since before the 1981-82 recession.

Although total nonfarm payroll employment didn't change over the month and year, there were dif-

ferences among major industries. Compared to last September, durable goods manufacturing employment dropped 8.7 percent. Construction employment, which has been down all of 1988 compared with 1987, remained 28 percent lower than it was during September last year. Wholesale trade, transportation, communications and public utilities employment fell slightly.

Significant gains in health services, up 331 jobs or 4.4 percent, and in government negated these over-the-year losses. Government gained only 2.1 percent more workers, but because of its size, that meant 204 jobs.

Compared with August, there were few employment shifts of any note. Durable goods manufacturing dropped by 3.0 percent, and wholesale trade jobs increased by 4.2 percent. In October, government should rise moderately when the college fall term begins.

Labor Force Estimates									
AREA	EMPLOYMENT			UNEMPLOYMENT			RATE OF UNEMPLOYMENT		
	Sept 1988	Aug 1988	Sept 1987	Sept 1988	Aug 1988	Sept 1987	Sept 1988	Aug 1988	Sept 1987
REGION 3	131,437	130,903	126,498	7,385	7,884	10,175	5.3	5.7	7.4
Aitkin	4,876	4,774	5,081	301	365	405	5.8	7.1	7.4
Carlton	11,848	11,564	11,533	687	716	808	5.5	5.8	6.5
Cook	3,067	3,198	2,766	91	105	111	2.9	3.2	3.9
Itasca	16,599	15,987	15,728	1,031	1,157	1,339	5.8	6.7	7.8
Koochiching	7,601	7,351	7,018	405	384	452	5.1	5.0	6.1
Lake	3,749	3,632	3,307	326	354	527	8.0	8.9	13.7
St. Louis	85,697	84,397	81,065	4,544	4,803	6,533	5.1	5.4	7.5
City of Duluth	36,127	36,429	34,991	2,008	2,109	2,164	5.3	5.5	5.8
Balance St. Louis	47,570	47,968	46,074	2,536	2,694	4,369	5.1	5.3	8.7

DULUTH AND DULUTH-SUPERIOR MSA NONFARM WAGE & SALARY EMPLOYMENT										
INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	Sept. 1988	Aug. 1988	Sept. 1987	MO. AGO	YR. AGO	Sept. 1988	Aug. 1988	Sept. 1987	MO. AGO	YR. AGO
Total Nonfarm Wage & Salary	44,025	44,038	44,044	0.0	0.0	90,659	89,760	90,653	1.0	0.0
Total Manufacturing	3,795	3,896	3,882	-0.6	-2.5	7,788	7,910	7,703	-1.5	1.1
Durable Goods	1,466	1,511	1,606	-3.0	-8.7	4,160	4,245	4,103	-2.0	1.4
Non-durable Goods	2,329	2,385	2,276	1.0	1.9	3,628	3,665	3,600	-1.0	0.8
Total Nonmanufacturing	40,230	40,142	40,162	0.0	0.2	82,871	81,850	82,950	1.2	-0.1
Construction	1,603	1,590	2,227	0.8	-28.0	4,074	4,027	5,567	1.2	-26.8
Transp., Com., Pub. Util.	2,843	2,853	2,928	-0.4	-2.9	2,358	2,377	2,341	-0.8	0.7
Total Trade	11,219	11,197	11,275	1.1	0.4	21,968	22,071	22,232	-0.5	-1.2
Wholesale Trade	1,865	1,598	1,690	4.2	-1.5	3,551	3,531	3,565	0.6	-0.4
Retail Trade	9,354	9,599	9,585	0.6	0.7	18,417	18,540	18,667	-0.7	-1.3
Finan., Insur., Real Est.	1,856	1,859	1,835	-0.2	1.1	3,264	3,280	3,144	-0.5	3.8
Services, Misc., & Misc.	12,584	12,531	12,036	0.3	4.4	26,227	26,553	25,094	-1.2	4.5
Health Services	9,802	9,561	5,271	0.7	6.3	9,104	9,043	8,523	0.7	6.8
Other Services	9,905	9,957	5,874	-0.9	0.5	10,437	10,864	10,284	-3.9	1.5
Government	10,065	10,200	9,861	-1.3	2.1	21,174	19,720	21,012	7.4	0.8

Southern Minnesota



By Sue Borgfelt

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP RATE		
	Sept 1988	Aug 1988	Sept 1987	Sept 1988	Aug 1988	Sept 1987	Sept 1988	Aug 1988	Sept 1987
REGION 6W	23,657	23,672	23,054	785	849	982	3.2	3.5	4.1
Big Stone	2,919	2,946	2,776	110	117	151	3.6	3.8	5.2
Chippewa	6,384	6,328	6,291	233	245	251	3.5	3.7	3.8
Lac Qui Parle	4,122	4,051	3,953	103	124	103	2.4	3.0	2.5
Swift	4,659	4,645	4,494	183	190	234	3.8	3.9	4.9
Yellow Medicine	5,573	5,702	5,540	156	172	243	2.7	2.9	4.2
REGION 8	59,382	58,817	55,930	2,090	2,006	2,343	3.4	3.3	4.0
Cottonwood	5,917	5,800	5,685	311	353	346	5.0	5.7	5.7
Jackson	4,969	4,929	4,868	249	304	482	4.8	5.8	9.0
Lincoln	3,206	3,086	3,083	107	66	106	3.2	2.1	3.3
Lyon	12,051	12,183	11,576	431	354	387	3.5	2.8	3.2
Murray	4,683	4,664	4,320	190	184	192	3.9	3.8	4.3
Nobles	10,746	10,693	9,640	312	299	313	2.8	2.7	3.1
Pipestone	5,688	5,512	5,019	134	125	117	2.3	2.2	2.3
Redwood	7,633	7,485	7,274	231	232	263	2.9	3.0	3.5
Rock	4,489	4,465	4,465	125	89	137	2.7	2.0	3.0
REGION 9	108,570	108,609	106,014	3,342	3,512	4,619	3.0	3.1	4.2
Blue Earth	27,643	27,307	26,557	627	777	839	2.2	2.8	3.1
Brown	13,655	13,632	13,283	373	467	472	2.7	3.3	3.4
Faribault	8,050	8,462	8,395	337	248	315	4.0	2.8	3.6
Le Sueur	11,574	11,850	11,176	564	520	765	4.6	4.2	6.4
Martin	11,032	10,986	11,903	477	533	873	4.1	4.6	6.8
Nicollet	14,172	14,000	13,615	351	333	461	2.4	2.3	3.3
Sibley	6,715	6,742	6,412	233	234	324	3.4	3.4	4.8
Waseca	9,841	9,800	9,315	230	264	413	2.3	2.6	4.2
Watsonwan	5,888	5,830	5,358	150	136	157	2.5	2.3	2.8
REGION 10	219,338	217,576	208,821	6,358	6,839	7,633	2.8	3.0	3.5
Dodge	8,015	7,966	7,558	291	271	373	3.5	3.3	4.7
Fillmore	9,442	9,186	9,411	355	430	416	3.6	4.5	4.2
Freeborn	17,274	16,899	16,281	506	527	583	2.8	3.0	3.5
Goodhue	20,269	20,547	19,774	589	644	837	2.8	3.0	4.1
Houston	9,220	8,999	8,771	244	322	290	2.6	3.5	3.2
Mower	16,404	15,942	16,305	485	533	705	2.9	3.2	4.1
Olmsted	58,714	59,247	55,693	1,434	1,410	1,793	2.4	2.3	3.1
Rice	27,588	27,279	25,550	867	963	968	3.0	3.4	3.7
Steele	15,977	16,181	15,767	556	551	561	3.4	3.3	3.4
Wabasha	9,268	9,422	8,620	283	310	338	3.0	3.2	3.7
Winona	27,167	25,908	24,891	748	878	769	2.7	3.3	3.0
Rochester City	36,306	36,636	34,438	1,078	1,029	1,212	2.9	2.7	3.4

Unemployment and Employment Changes Differ by Region

Since last month, unemployment rose in Region 8, and fell in every other region. Employment increased in Regions 8 and 10 and dropped in Regions 6W and 9. Employment rose and unemployment dropped in every region over the year.

In the Rochester MSA, nonfarm employment rose 3.8 percent over the year. All industries except two employed more people this year than during last September. With low unemployment, and, therefore, relatively more available jobs, there is a shortage of people willing to work seasonal jobs. That was one reason nondurable goods manufacturing employment dropped over the year. Industries who employ seasonal holiday workers may soon be short of workers. Construction was the other industry with fewer workers than last September--a surprise, since all this year, construction employment had been higher than during last year. Last year, however, construction employment rose 1.2 percent between August and September, contrary to the seasonal decrease which usually occurs. Nevertheless, this year's 5.3 percent over-the-month job drop was exceptional. Time will tell whether it signifies a turning point.

ROCHESTER MSA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	September 1988	August 1988	September 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	59,982	59,436	57,787	0.9	3.8
Total Manufacturing	11,632	11,738	10,850	-0.9	7.2
Durable Goods	9,636	9,636	8,851	0.0	8.9
Nondurable Goods	1,996	2,102	1,999	-5.0	-0.2
Total Nonmanufacturing	48,350	47,698	46,937	1.4	3.0
Construction & Mining	2,111	2,228	2,174	-5.3	-2.9
Transp., Comm., & Public Util.	1,726	1,735	1,684	-0.5	2.5
Total Trade	11,807	11,738	11,496	0.6	2.7
Wholesale Trade	1,276	1,291	1,201	-1.2	6.2
Retail Trade	10,531	10,447	10,295	0.8	2.3
Finan., Insur., & Real Estate	1,675	1,657	1,552	1.1	7.9
Total Services	25,027	25,166	24,130	-0.6	3.7
Health Services	17,697	17,790	16,930	-0.5	4.5
Other Services	7,330	7,376	7,200	-0.6	1.8
Government	6,004	5,174	5,901	16.0	1.7

According to the Rochester MSA's nonfarm employment estimate, jobs increased by 546 over the month. This differs from the Olmsted County (same as Rochester MSA) labor force estimate of a 533 decrease. The two estimates are constructed differently. Random sampling error in the Current Population Survey (to which labor force data is adjusted) could account for much of the difference. Government jobs rose because of the new school year, and offset the declines most other industries experienced to net the overall 546 gain. Nondurable goods producers' 5.0 percent job decline was either steeper or earlier than usual. This larger-than-usual decline in nondurable manufacturing employment was also observed statewide.

MINNESOTA Labor Market Review



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Selected Minnesota Program Statistics

Distribution of Insured Unemployed by Industry and Occupation, September 1988					Distribution of Insured Unemployed, by Age and Sex, September 1988				
Industry Attachment	Number	Percent of Total	Percent * / Long-Term Unemployed	Women as Percent of Total	Age Groups	Number	Percent Distribution		
							Men of Totals	Men of Men	Women of Women
TOTAL, ALL INDUSTRIES	20,439	100.0	23.2	40.6	TOTALS	20,439	59.5	100.0	100.0
Ag., For., Fish.	196	1.0	19.2	38.5	Under 45	15,001	59.9	73.9	72.6
Mining	44	0.2	8.8	23.5	Under 25	1,987	59.6	9.8	9.7
Construction	2,847	13.9	13.8	5.9	25-34	7,395	60.2	36.6	35.5
Manufacturing	5,300	25.9	21.5	36.9	35-44	5,619	59.6	27.5	27.4
Public Utilities	955	4.7	22.1	26.4	45 and over	5,438	58.3	26.1	27.4
Wholesale Trade	1,841	9.0	27.3	35.8	45-54	3,247	57.8	15.5	16.5
Retail Trade	2,467	12.1	27.8	48.1	55 and over	2,191	59.1	10.6	10.9
Fin., Ins., Re. Est.	1,088	5.3	33.5	63.3					
Services	4,518	22.1	27.2	61.6					
Public Admin.	363	1.8	21.5	56.4					
Info. Not Available	820	4.0	9.5	38.9					
					Experienced Supply/Job Openings Demand **/				
Occupational Attachment					Applicants (Supply)	Job Openings (Demand)	Supply/Demand Ratio		
					Sept. 1988	Sept. 1988	Sept. 1988	Sept. 1988	
TOTAL, ALL OCCUPATIONS	20,439	100.0	23.2	40.6	67,261	29,911	2.2	3.0	
Prof., Tech., Mgr.	5,310	26.0	28.5	44.0	12,513	2,221	5.6	7.9	
Clerical	3,234	15.8	28.9	83.0	13,503	4,275	3.2	4.0	
Sales	1,133	5.5	26.1	35.3	4,233	3,805	1.1	1.8	
Services	1,427	7.0	26.7	56.0	7,567	9,512	0.8	1.5	
Farm, For., Fish.	158	0.8	18.5	27.2	1,712	570	3.0	7.7	
Processing	714	3.5	15.7	43.7	1,378	2,086	0.7	1.4	
Machine Trades	1,227	6.0	18.9	18.3	3,927	936	4.2	5.2	
Benchwork	1,554	7.6	21.4	56.3	4,452	1,743	2.6	1.02	
Structural Work	3,209	15.7	13.9	2.6	8,537	1,510	5.7	8.1	
Misc., and INA	2,473	12.1	18.9	19.9	9,439	3,253	2.9	3.5	

* / Long-term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

** / Inexperienced and improperly coded job applicants are not included in this table.

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MINNESOTA LABOR MARKET REVIEW

Quarterly Issue
November 1988

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Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the state are welcome. Articles should be submitted complete with tables and graphs. Length should not exceed 8 double-spaced typewritten pages, including graphs, references, and notes. The editorial board reserves the right to edit articles for length and clarity.

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Analysis of National & State Economic Conditions

Nation

Unemployment Rate Dips Back To 14-year Low; Manufacturing Employment Rebounds As Payroll Employment Posts Strongest Increase Since June

The nation's seasonally adjusted unemployment rate fell from 5.4 percent in September to 5.3 percent in October, the same as during June and the lowest since May, 1974 when it was 5.1 percent. Seasonally adjusted nonfarm payroll employment rose a healthy 323,000 in October after a gain of 304,000 in September. The October increase was the biggest since a 568,000 jump in June. Even more significant, employment in surged by 99,000 in October after declines of 33,000 in August and 12,000 in September. The largest gains in factory jobs were in the nonelectrical machinery, transportation equipment, lumber and wood and food processing industries.

Other Indicators Also Show A Healthy Economy

Housing starts rose a strong 7.2 percent in October, the sharpest increase since February, and were at their highest level since April. Also, retail sales climbed a robust 0.9 percent after a drop of 0.3 percent in September. Moreover, industrial production increased 0.4 percent in October following a 0.2 percent gain in September. Meanwhile, personal income rose a very strong 1.8 percent in October, the biggest increase in a year, while personal spending climbed a healthy 0.8 percent.

State

By Ben Boyle

Unemployment Rate Shows Normal Increase In October

Minnesota's seasonally adjusted unemployment rate rose 0.2 of point to 3.6 percent in October, the same as in August. The October increase was about normal for this time of the year. The rate had averaged 3.5 percent in the third quarter and 4.5 percent in the third quarter of 1987.

Payroll Employment Posts Huge Gain In October As Employment In Retail Trade And The Services Industry Rises Sharply

Seasonally adjusted nonfarm payroll employment rose a strong 11,200 in October after a gain of 4,020 in September. It was 60,650 or 3.1 percent higher than in October 1987. The October payroll employment increase was the biggest since a jump of 12,700 in October 1987. The largest over-the-month increase was 4,000 in retail trade with half of that increase in eating and drinking places. There were also sizeable job gains in general merchandise and food stores. The second biggest monthly increase was 3,500 in the services industry, particularly health and business services. Employment in manufacturing also grew strongly in October as both durable and nondurable goods industries registered big increases. The largest gains from a year ago were in services (21,700), total trade (19,800), and total manufacturing (11,800).

Labor Force and Establishment Data

	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	III QTR 1988	Percent Change from		III QTR 1988	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2,340.4	0.0	3.4	123,042	1.4	1.5
Seasonally Adjusted	n.a.	n.a.	n.a.	121,880	0.5	1.5
Employment						
Actual	2,258.1	0.0	4.5	116,426	1.4	2.1
Seasonally Adjusted	n.a.	n.a.	n.a.	115,189	0.5	2.1
Unemployment						
Actual	82.3	1.4	-19.4	6,617	0.6	-7.2
Seasonally Adjusted	n.a.	n.a.	n.a.	6,691	1.1	-7.1
Unemployment Rates						
Actual	3.5	0.0	-22.2	5.4	0.0	-8.5
Seasonally Adjusted	n.a.	n.a.	n.a.	5.5	0.0	-8.3
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population (16+)	n.a.	n.a.	n.a.	65.9	0.2	0.5
Full Employment Deficit - Percent of Workers ^{1/}	-0.5	-0.5	0.5	1.4	1.4	1.9
Manpower Utilization Rate ^{2/}	84.2	0.4	0.1	83.9	0.0	0.6
Nonagricultural Wage & Salary Positions						
Employment (Seasonally adjusted)	2,025.4	0.8	3.1	106,469	0.8	3.7
Mining	7.0	10.9	9.8	736	-0.4	1.1
Construction	78.0	-1.6	-4.4	5,339	1.5	6.6
Manufacturing	389.1	0.7	3.8	19,574	0.4	2.4
Durables	232.0	1.1	4.7	11,556	0.6	2.9
Nondurables	157.1	0.0	2.5	8,018	0.0	1.8
Trans., Comm., & Public Utilities	102.1	0.6	1.3	5,608	0.9	3.9
Trade	505.7	1.2	3.5	25,476	0.9	4.1
Fin., Ins., & Real Estate	123.6	0.4	2.8	6,688	0.4	1.6
Services	498.4	1.3	4.4	25,630	1.4	5.2
Government	321.5	0.2	2.1	17,418	0.4	2.3
Average Weekly Hours (Seasonally adjusted)						
Mining	43.5	3.1	2.8	42.3	-0.5	0.0
Construction	38.6	-0.3	0.0	38.5	0.5	1.6
Manufacturing	41.3	1.7	0.7	41.1	0.0	0.5
Durables	42.4	1.9	0.7	41.8	-0.2	1.0
Nondurables	39.9	1.8	1.3	40.2	0.2	0.0
Trans., Comm., & Public Utilities	35.4	0.3	-4.6	39.4	0.0	0.5
Trade	29.4	0.0	0.0	31.3	0.0	-0.6
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	35.8	-0.3	-1.1
Services	n.a.	n.a.	n.a.	32.6	0.0	0.3
Average Hourly Wage						
Mining	12.99	1.9	0.9	12.69	1.0	2.0
Construction	15.57	-0.3	2.4	12.99	0.9	2.4
Manufacturing	10.51	-0.2	1.6	10.18	0.4	2.7
Durables	10.81	0.0	0.7	10.71	0.4	2.8
Nondurables	10.11	-0.5	2.8	9.46	0.9	2.7
Trans., Comm., & Public Utilities	12.64	0.2	0.3	12.37	0.9	2.6
Trade	7.80	-0.4	0.5	7.30	0.6	3.5
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	9.07	0.4	4.3
Services	n.a.	n.a.	n.a.	8.85	0.5	5.0

^{1/} Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

^{2/} Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

Minnesota Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Oct. 1988	Sep. 1988	Oct. 1987	Sep. 1988	Oct. 1987	Oct. 1988	Oct. 1987	Oct. 1988	Oct. 1987	Oct. 1988	Oct. 1987
Total Nonagricultural	2,068.3	2,052.2	2,007.3	0.8	3.0	-	-	-	-	-	-
Manufacturing	393.0	396.4	381.1	-0.9	3.1	436.65	430.35	10.65	10.42	41.0	41.3
Durable Goods	234.2	234.5	224.9	-0.1	3.1	451.52	458.38	10.88	10.76	41.5	42.6
Lumber and Furniture	23.1	23.8	22.0	-3.3	4.9	462.11	500.09	11.91	11.63	38.8	43.0
Stone, Clay and Glass	9.4	9.4	8.8	0.0	6.5	462.97	427.44	10.57	10.40	43.8	41.1
Primary Metals	7.2	7.3	6.5	-2.1	10.7	409.76	425.65	9.71	9.48	42.2	44.9
Fabricated Metals	33.6	33.8	33.9	-0.5	-0.9	508.29	514.84	12.16	11.89	41.8	43.3
Nonelectrical Machinery	81.6	82.0	79.3	-0.4	2.9	484.36	482.20	11.37	11.24	42.6	42.9
Office and Computing	38.7	39.1	39.0	-1.0	-0.8	517.73	549.94	11.74	12.14	44.1	45.3
Electrical Machinery	30.8	30.3	28.5	1.6	7.8	345.46	365.93	8.68	8.61	39.8	42.5
Transportation Equipment	10.6	10.5	10.1	1.5	5.4	529.64	524.45	12.12	12.14	43.7	43.2
Scientific Instruments	31.7	31.4	30.3	0.8	4.4	423.67	418.20	10.16	10.25	41.7	40.8
Misc. Manufacturing	6.2	6.0	5.5	4.8	14.3	430.08	394.71	10.24	9.77	42.0	40.4
Nondurable Goods	158.8	162.0	156.2	-1.9	1.7	418.54	395.21	10.36	9.98	40.4	39.6
Food and Kindred	47.0	49.8	47.2	-5.8	-0.5	400.18	353.76	9.35	8.80	42.8	40.2
Textiles and Apparel	4.9	4.9	5.0	-1.1	-1.2	296.84	267.89	7.71	7.26	38.5	36.9
Paper and Allied	32.6	32.6	32.4	-0.2	0.4	503.01	497.77	12.15	11.88	41.4	41.9
Printing and Publishing	47.3	47.4	45.6	-0.1	3.9	411.79	393.21	11.04	10.43	37.3	37.7
Chemicals and Petroleum	11.1	11.1	11.0	-0.1	0.9	499.60	474.81	12.49	11.93	40.0	39.8
Rubber, Plastic & Leather	16.0	16.1	15.1	-0.6	6.3	356.40	346.90	8.91	8.76	40.0	39.6
Nonmanufacturing	1,675.3	1,655.8	1,626.3	1.2	3.0	-	-	-	-	-	-
Mining	7.5	7.5	6.9	-0.7	7.6	561.57	552.53	12.88	12.79	43.6	43.2
Metal Mining	5.4	5.4	4.9	-0.2	10.4	586.87	597.37	13.68	13.86	42.9	43.1
Construction	87.7	89.9	92.5	-2.5	-5.2	632.26	604.40	15.65	15.34	40.4	39.4
Transp., Comm., Pub. Util.	104.4	104.1	102.5	0.3	1.9	-	-	-	-	-	-
Transportation	69.7	69.4	68.1	0.4	2.3	-	-	-	-	-	-
Trucking & Warehousing	26.5	26.5	26.7	-0.1	-1.0	436.82	416.07	12.81	12.06	34.1	34.5
Comm. & Public Util.	34.8	34.7	34.4	0.0	1.0	600.75	586.80	14.87	14.67	40.4	40.0
Trade	514.4	515.0	494.6	-0.1	4.0	236.02	232.55	7.92	7.83	29.8	29.7
Wholesale	126.2	126.5	122.3	-0.2	3.2	428.47	428.87	10.82	10.83	39.6	39.6
Retail	388.2	388.5	372.3	-0.1	4.3	179.69	176.46	6.68	6.56	26.3	26.9
Building Materials	17.9	18.1	17.4	-1.1	3.1	329.99	320.73	8.73	8.53	37.8	37.6
General Merchandise	59.2	56.8	55.6	4.1	6.3	161.41	148.75	6.38	5.95	25.3	25.0
Food Stores	52.2	52.2	49.5	0.1	5.4	191.95	194.70	6.98	7.08	27.5	27.5
Automotive	41.6	41.7	40.0	-0.3	4.1	317.94	327.24	9.11	8.99	34.9	36.4
Apparel	20.2	19.8	19.9	1.9	1.6	113.53	118.46	5.33	5.36	21.3	22.1
Home Furnishings	18.2	17.7	16.8	2.9	8.5	264.80	248.51	8.00	7.67	33.1	32.4
Eating and Drinking	129.3	132.9	124.6	-2.7	3.8	112.18	106.18	4.92	4.74	22.8	22.4
Fin., Insur., Real Estate	123.8	124.2	121.0	-0.3	2.3	-	-	-	-	-	-
Finance	56.8	56.6	56.0	0.2	1.3	-	-	-	-	-	-
Insurance	45.6	46.0	44.5	-0.8	2.4	-	-	-	-	-	-
Real Estate	21.4	21.6	20.4	-0.8	4.6	-	-	-	-	-	-
Services	507.5	506.7	485.6	0.2	4.5	-	-	-	-	-	-
Personal Services	26.6	26.2	25.6	1.5	3.9	1/ Totals may not add because of rounding.					
Business Services	102.8	102.4	95.1	0.4	8.1						
Repair Services	21.5	21.3	19.6	1.0	9.6	2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Health Services	154.6	154.7	150.4	-0.1	2.8						
Hospitals	53.0	53.2	51.5	-0.3	2.9						
Nursing Homes	41.3	41.4	41.3	-0.3	-0.2						
Legal Services	15.0	14.9	14.3	0.0	4.5						
Private Education	27.6	23.7	26.7	16.8	3.7						
Government	330.0	308.4	323.1	7.0	2.1						
Federal	33.8	33.9	33.1	-0.2	2.1						
State	83.7	74.3	81.4	12.6	2.7						
Education	46.1	36.3	45.2	27.0	1.9						
Local	212.5	200.2	208.6	6.2	1.9						
Education	116.2	101.8	113.1	14.2	2.7						

Analysis of Local Conditions

Minneapolis-St. Paul MSA



By Kevin Alaspa

The Unemployment Rate Rises Slightly In October

The unemployment rate in the Twin Cities metropolitan area rose two-tenths of a percent in October to 3.4 percent. The increase was a normal seasonal development, and was still below October, 1987's figure of 3.8 percent. Total employment rose 2.9 percent over the year, while unemployment declined 9.0 percent.

Nearly All Employment Growth Occurs In Nonmanufacturing Industries

Wage and salary employment increased by 8,700 in October, or by seven-tenths of a percent. Manufacturing employment was down by 1,400, due, in part, to a seasonal layoff in lumber and furniture manufacturing. Construction employment declined by 800 as some outdoor projects ended for the season. Retail trade increased slightly as businesses began to add employees for the holiday season, and further increases are anticipated in the following months. A seasonal decline of 1,900 workers occurred among eating and drinking establishments, notably those associated with summer recreation. Employment in

the services industry declined by 1,800, particularly in business and personal services.

Government employment increased, as local school districts added 7,700 workers in October when the school year became fully operational.

In coming months, layoffs in industries such as construction should continue to moderately raise unemployment. Nevertheless, the holiday shopping season typically is responsible for six to seven thousand part-time and temporary retail trade jobs in the metro area between October and December.

Employment in the metro area should continue to grow for the foreseeable future. Moderate economic growth continues in the state, much of it driven by business activity in the Twin Cities. The result is gradual but steady growth in employment in many local industries.

Employment should follow normal seasonal trends for the next few months, with unemployment not likely to exceed normal winter totals.

Labor Force Estimates									
AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Oct. 1988	Sep. 1988	Oct. 1987	Oct. 1988	Sep. 1988	Oct. 1987	Oct. 1988	Sep. 1988	Oct. 1987
Mpls.-St. Paul MSA*	1,351,389	1,345,674	1,312,677	47,495	44,037	52,166	3.4	3.2	3.8
REGION 11	1,268,703	1,263,539	1,232,878	44,619	41,444	48,926	3.4	3.2	3.8
Anoka	127,121	126,604	123,532	4,897	4,469	4,755	3.7	3.4	3.7
Carver	23,315	23,220	22,657	710	653	727	3.0	2.7	3.1
Dakota	133,700	133,156	129,924	4,985	4,464	5,266	3.6	3.2	3.9
Hennepin	610,392	607,907	593,156	21,256	20,220	23,307	3.4	3.2	3.8
Ramsey	275,874	274,750	268,083	9,286	8,668	11,294	3.3	3.1	4.0
Scott	27,428	27,317	26,654	1,072	985	1,206	3.8	3.5	4.3
Washington	70,873	70,585	68,872	2,413	1,985	2,371	3.3	2.7	3.3
Chisago	13,899	13,842	13,506	565	532	692	3.9	3.7	4.9
Isanti	11,986	11,937	11,648	473	386	516	3.8	3.1	4.2
Wright	31,735	31,604	30,837	1,132	1,061	1,241	3.4	3.2	3.9
St. Croix, WI	25,066	24,752	23,808	706	614	791	2.7	2.4	3.2
Bloomington	57,530	57,296	55,906	1,957	1,830	2,130	3.3	3.1	3.7
Minneapolis	212,822	211,956	206,813	8,606	8,101	9,274	3.9	3.7	4.3
St. Paul	146,457	145,860	142,321	5,747	5,293	7,229	3.8	3.5	4.8

* Chisago, Isanti and Wright counties are a part of the Minneapolis-St. Paul MSA, and are also included in Region 7.

Note: Add employment and unemployment to calculate civilian labor force.

Mpls.-St. Paul Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Oct. 1988	Sept. 1988	Oct. 1987	Sept. 1988	Oct. 1987	Oct. 1988	Oct. 1987	Oct. 1988	Oct. 1987	Oct. 1988	Oct. 1987
Total Nonagricultural	1331.8	1323.1	1312.2	0.7	1.5	—	—	—	—	—	—
Manufacturing	261.6	263.0	257.3	-0.6	1.7	462.67	460.20	11.34	11.17	40.8	41.2
Durable Goods	163.9	164.9	159.9	-0.6	2.5	474.96	460.25	11.39	11.20	41.7	42.5
Lumber and Furniture	9.4	10.3	9.7	-8.5	-3.1	525.44	547.28	12.91	12.41	40.7	44.1
Stone, Clay and Glass	3.7	3.7	3.3	-0.2	10.2	535.95	465.38	11.99	10.95	44.7	42.5
Primary Metals	5.1	5.2	4.7	-1.8	8.2	411.08	412.67	9.56	9.15	43.0	45.1
Fabricated Metals	25.7	26.0	26.3	-0.9	-2.0	518.06	540.38	12.76	12.48	40.6	43.5
Nonelectrical Machinery	64.1	64.2	62.6	-0.2	2.4	494.06	495.92	11.68	11.56	42.3	42.9
Office and Computing	31.3	31.3	31.9	-0.2	-1.9	497.64	511.58	11.60	11.68	42.9	43.8
Electrical Machinery	16.9	16.8	16.3	0.6	3.6	362.00	376.58	9.95	9.23	40.0	40.8
Transportation Equipment	6.0	5.9	5.6	0.6	6.2	677.54	706.40	15.26	15.39	44.4	45.9
Scientific Instruments	29.5	29.3	27.9	0.6	5.6	428.28	426.71	10.32	10.51	41.3	40.8
Misc. Manufacturing	3.5	3.4	3.4	0.7	2.7	460.67	408.58	10.59	10.24	43.5	39.9
Non-durable Goods	97.7	98.1	97.3	-0.5	0.3	445.17	430.73	11.27	10.86	39.5	39.3
Food and Kindred	18.0	18.3	18.6	-1.3	-2.9	512.38	432.64	11.54	10.63	44.4	40.7
Textiles and Apparel	2.2	2.3	2.0	-0.4	9.6	254.52	259.86	7.07	7.10	36.0	38.6
Paper and Allied	24.8	24.9	25.1	-0.6	-1.3	471.14	463.05	11.72	11.49	40.2	40.3
Printing and Publishing	32.4	32.4	32.0	0.0	1.2	403.33	406.62	10.99	10.96	38.7	37.1
Chemicals and Petroleum	9.4	9.4	9.3	-0.5	1.2	557.00	519.55	13.96	13.12	39.9	38.6
Rubber, Plastic & Leather	10.9	10.9	10.4	-0.3	4.7	381.81	414.12	9.79	9.86	39.0	42.0
Nonmanufacturing	1070.3	1060.0	1055.0	1.0	1.5	—	—	—	—	—	—
Mining	0.6	0.6	0.6	-0.9	0.0	403.64	208.78	10.85	8.03	37.9	26.0
Construction	59.1	59.9	59.1	-1.3	0.1	659.12	638.46	17.12	16.87	38.5	38.3
Transp., Comm., Pub. Util.	72.5	72.1	71.5	0.5	1.4	—	—	—	—	—	—
Transportation	49.7	49.2	48.9	1.0	1.6	—	—	—	—	—	—
Trucking & Warehousing	16.0	15.9	16.6	0.9	-3.4	409.97	389.10	13.14	12.97	31.2	30.0
Comm. & Public Util.	22.8	22.9	22.6	-0.4	1.1	597.40	579.51	14.43	14.38	41.4	40.3
Trade	326.2	325.9	322.2	0.1	1.2	264.88	254.75	8.80	8.52	30.1	29.9
Wholesale	86.6	86.7	85.2	0.0	1.7	463.70	454.96	11.68	11.46	39.7	39.7
Retail	239.6	239.2	237.1	0.2	1.1	201.69	193.14	7.47	7.18	27.0	26.9
Building Materials	10.7	10.8	10.3	-0.5	4.7	385.10	344.39	10.38	9.54	37.1	36.1
General Merchandise	41.0	39.4	40.4	4.1	1.4	170.24	160.99	6.65	6.24	25.6	25.8
Food Stores	28.2	28.0	27.8	0.6	1.4	247.68	239.98	8.66	8.51	28.6	28.2
Automotive	23.8	23.8	23.4	-0.2	1.7	379.71	395.13	10.18	10.21	37.3	38.7
Apparel	13.0	12.8	13.4	1.9	-2.6	107.66	116.27	5.41	5.59	19.9	20.8
Home Furnishings	11.9	11.8	11.7	0.9	1.7	281.87	223.30	8.49	7.25	33.2	30.8
Eating and Drinking	79.7	81.6	79.3	-2.4	0.5	128.03	116.77	5.64	5.26	22.7	22.2
Fin., Insur., Real Estate	96.4	96.5	94.4	0.0	2.2	—	—	—	—	—	—
Finance	41.3	41.2	40.6	0.2	1.8	—	—	—	—	—	—
Insurance	38.3	38.4	37.5	-0.3	2.2	—	—	—	—	—	—
Real Estate	16.9	16.9	16.3	0.0	3.3	—	—	—	—	—	—
Services	336.1	337.9	330.2	-0.5	1.8	^{1/} Totals may not add because of rounding. ^{2/} Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Personal Services	18.4	18.4	17.9	-0.2	2.6						
Business Services	82.7	82.9	81.3	-0.3	1.7						
Repair Services	15.5	15.4	14.5	0.5	7.0						
Health Services	86.0	85.8	85.4	0.2	0.7						
Hospitals	30.6	30.6	31.0	0.1	-1.3						
Nursing Homes	21.7	21.6	22.2	0.6	-2.3						
Legal Services	11.8	11.9	11.3	-0.4	4.5						
Private Education	15.8	15.3	16.6	3.7	-4.7						
Government	179.1	167.1	177.0	7.2	1.2						
Federal	20.6	20.6	20.2	0.3	2.4						
State	54.9	50.2	53.4	9.5	2.7						
Education	30.6	24.8	29.9	23.4	2.2						
Local	103.6	96.3	103.4	7.5	0.2						
Education	56.0	48.3	55.9	16.0	0.1						

Central and Northwest Minnesota



Labor Force Estimates

By Ron Daws

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Oct. 1988	Sep. 1988	Oct. 1987	Oct. 1988	Sep. 1988	Oct. 1987	Oct. 1988	Sep. 1988	Oct. 1987
St. Cloud MSA*	93,304	91,891	89,821	3,705	3,741	4,240	3.8	3.9	4.5
REGION 1	42,442	41,863	41,095	2,173	2,345	2,334	4.9	5.3	5.4
Kittson	2,516	2,491	2,533	130	182	157	4.9	6.8	5.8
Marshall	4,879	4,760	4,607	388	406	419	7.4	7.9	8.3
Norman	3,644	3,558	3,596	160	178	190	4.2	4.8	5.0
Pennington	6,654	6,568	6,197	292	290	316	4.2	4.2	4.9
Pole	14,725	14,329	14,631	797	862	825	5.1	5.7	5.3
Red Lake	1,467	1,510	1,551	160	168	179	9.8	10.0	10.3
Roseau	8,557	8,647	7,980	246	259	238	2.8	2.9	2.9
REGION 2	30,733	31,705	28,616	1,543	1,422	1,884	4.8	4.3	6.2
Bemidji	16,113	16,242	15,127	686	634	859	4.2	3.8	5.4
Clearwater	3,315	3,393	3,174	304	292	342	8.4	7.9	9.7
Hubbard	7,144	7,690	6,452	357	318	415	4.8	4.0	6.0
Lake of Woods	1,791	2,049	1,623	61	63	126	3.3	3.0	7.2
Mahomet	2,370	2,331	2,210	123	115	142	4.9	4.7	6.0
REGION 4	94,937	93,354	92,909	3,883	3,183	4,287	3.7	3.3	4.4
Becker	12,960	13,285	13,374	671	572	905	4.9	4.1	6.3
Clay	25,862	25,172	24,813	667	627	703	2.5	2.4	2.8
Douglas	14,146	14,059	14,415	603	486	666	4.1	3.2	4.4
Grant	2,863	2,765	2,786	119	122	157	4.0	4.2	5.3
Otter Tail	23,807	23,153	23,089	1,075	950	1,218	4.3	3.9	5.0
Pope	4,746	4,675	4,298	215	178	234	4.3	3.7	5.2
Stevens	5,039	4,816	4,914	148	104	201	2.9	2.1	3.9
Traverse	2,203	2,200	2,032	62	56	74	2.8	2.5	3.5
Wilkin	3,261	3,229	3,188	113	106	129	3.3	3.2	3.9
REGION 5	58,062	59,194	54,315	3,270	3,093	3,667	5.3	5.0	6.3
Cass	8,125	8,625	7,629	594	537	664	6.8	5.9	8.0
Crow Wing	20,956	22,033	19,712	1,066	972	1,224	4.8	4.2	5.8
Morrison	13,821	13,711	12,487	772	638	885	5.3	5.8	6.7
Todd	10,291	10,005	9,815	596	539	604	5.5	5.1	5.8
Wadena	4,869	4,820	4,673	242	207	280	4.7	4.1	5.7
REGION 6E	55,685	55,928	52,486	1,982	2,102	2,282	3.4	3.6	4.2
Kandiyohi	19,786	19,483	18,261	596	641	770	2.9	3.2	4.0
Molead	17,841	18,765	16,800	537	607	614	2.9	3.1	3.5
Mooker	8,635	8,370	7,869	422	402	445	4.7	4.6	5.4
Renville	9,403	9,310	9,556	424	452	453	4.3	4.6	4.5
REGION 7E	50,854	50,641	48,557	2,385	2,206	2,729	4.5	4.2	5.3
Chisago	13,899	13,842	13,596	565	532	692	3.9	3.7	4.9
Isanti	11,986	11,937	11,648	473	386	516	3.8	3.1	4.2
Kanabec	5,590	5,674	5,479	353	332	397	5.9	5.5	6.8
Mille Lacs	9,517	9,547	8,445	425	410	460	4.3	4.1	5.2
Pine	9,862	9,641	9,479	569	546	664	5.5	5.4	6.5
REGION 7W	125,039	123,485	120,658	4,837	4,802	5,481	3.7	3.7	4.3
Benton	14,652	14,430	14,105	683	661	691	4.5	4.4	4.6
Sherburne	17,568	17,322	16,931	1,035	971	861	5.6	5.3	4.8
Stearns	61,064	60,139	58,785	1,967	2,109	2,688	3.2	3.4	4.4
Wright	31,735	31,604	30,837	1,132	1,061	1,241	3.4	3.2	3.9

* Benton, Stearns, and Sherburne counties

Note: Add employment and unemployment to calculate civilian labor force.

ST. CLOUD MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	OCT. 1988	SEPT. 1988	OCT. 1987	MONTH AGO	YEAR AGO
Total Nonagricultural Wage & Salary	73,800	72,563	71,452	1.7	3.3
Total Manufacturing	12,811	12,696	12,001	0.9	6.7
Durable Goods	7,328	7,157	6,757	2.4	8.5
Nondurable Goods	5,483	5,539	5,244	-1.0	4.6
Total Nonmanufacturing	60,989	59,867	59,451	1.9	2.6
Construction & Mining	4,100	4,218	4,328	-2.8	-5.3
Transp., Comm., & Pub. Utilities	3,657	3,677	3,382	-0.5	8.1
Trade	22,782	22,775	21,527	0.0	5.8
Wholesale Trade	3,675	3,645	3,487	0.8	5.4
Retail Trade	19,107	19,130	18,040	-0.1	5.9
Finance, Insur., & Real Estate	2,429	2,433	2,368	-0.2	2.6
Services	15,208	14,908	14,630	0.8	2.7
Health Services	5,139	5,139	5,018	0.0	2.4
Other Services	9,889	9,769	9,612	1.2	2.9
Government	12,993	11,856	13,216	9.6	-1.7

The St. Cloud MSA's 3.8 Percent October Unemployment Rate Is Lowest Since Equalled In October 1978

While unemployment in most of Central and Northwest Minnesota fell to the lowest levels in a decade, employment rose to all-time highs. Not since October 1978, for example, has the St. Cloud MSA's unemployment rate been as low as 3.8 percent. Last October the MSA's rate was 4.5 percent.

Employment in the MSA, meanwhile, climbed to 93,304 in October, 1,413 above September's level, 3,483 above last October's level, and second only to last May's record of 93,676 jobs. Never has the number of jobs in the St. Cloud MSA been greater during October.

The St. Cloud MSA's October nonfarm payroll employment, at 73,800, reached an all-time high. There were 1,237 more jobs than during September, and 2,348 more than during October last year. Back in January 1988, the over-the-year increase was 4.377. That margin over 1987 has gradually diminished all year to nearly half, or the 2,348 mentioned above. Whether the increase will eventually be entirely obliterated remains to be seen.

Again it was manufacturing that gained the most jobs over the year, 6.7 percent to 2.6 percent for nonmanufacturing. Durable goods producing jobs rose almost twice as fast as did nondurable goods manufacturing jobs. There were slightly fewer construction jobs, and government employment dropped slightly. Notable job gainers were transportation, communications and public utilities (up 8.1%), durable goods manufacturing (up 8.5%), trade (up 5.8%), and nondurable goods manufacturing (up 4.6%).

Northeast Minnesota



By Ron Daws

Unemployment Is Down Over The Year, But Up Over The Month

In Region 3 (including Duluth) unemployment dropped by 1.9 percentage points over the year (from 7.5 to 5.6 percent), but rose slightly over the month. Duluth's rate fell by 0.9 percentage points, from 6.2 to 5.3 percent over the year. Over the month, however, unemployment rose: from 5.3 to 5.6 percent for Region 3, and from 5.2 to 5.3 percent for Duluth.

Employment, meanwhile, moved conversely: up over the year, and down over the month. The drop over the month was minute, only 13 jobs, which for these estimates is not statistically significant. Over the year, however, jobs rose by 917, a 2.6 percent increase. Never since October 1981 has there been more jobs in Duluth.

Unlike total employment, nonfarm payroll employment slipped slightly over the year (by 0.1%), and rose

over the month (by 1.4%). The big job losers over the year in Duluth were construction (down 1,452 jobs or 27.8%) and durable goods manufacturing (down 150 jobs or 9.2%). Transportation, communications and public utilities also lost 5.6 percent of its workers over the year. No industry gained a large number of jobs over the year. Government rose by 3.7 percent (383 jobs), and health services added 298 (up 5.6%).

At the beginning of 1988, nonfarm payroll employment in Duluth was about 600 workers below that of comparable months of 1987. During the last three months the number of jobs has remained virtually the same. Whether this signals that employment in Duluth is slowly entering an upswing will have to be watched in coming months. Surely with the unemployment rate hovering between 5.0 and 5.5 percent for the last seven months, and winter approaching, it would seem that the only direction the rate can go is up.

Labor Force Estimates									
AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Oct. 1988	Sep. 1988	Oct. 1987	Oct. 1988	Sep. 1988	Oct. 1987	Oct. 1988	Sep. 1988	Oct. 1987
REGION 3	131,829	132,424	126,936	7,860	7,431	10,345	5.6	5.3	7.5
Aitkin	4,958	4,912	5,027	329	304	414	6.2	5.8	7.6
Carlton	11,903	11,935	11,516	705	690	894	5.6	5.5	7.1
Cook	2,765	3,090	2,463	159	91	186	5.4	2.9	7.0
Itasca	16,561	16,720	15,707	1,116	1,035	1,327	6.3	5.8	7.8
Koochiching	7,556	7,656	6,974	415	407	510	5.2	5.0	6.8
Lake	3,780	3,776	3,068	344	327	406	8.3	8.0	13.9
St. Louis	84,304	84,335	82,181	4,792	4,577	6,528	5.4	5.1	7.4
City of Duluth	36,389	36,402	35,472	2,019	2,010	2,342	5.3	5.2	6.2
Balance St. Louis	47,915	47,933	46,709	2,773	2,567	4,186	5.5	5.1	8.2

Note: Add employment and unemployment to calculate civilian labor force.

DULUTH AND DULUTH-SUPERIOR MSA NONFARM WAGE & SALARY EMPLOYMENT										
INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	OCT. 1988	SEPT. 1988	OCT. 1987	MO. AGO	YR. AGO	OCT. 1988	SEPT. 1988	OCT. 1987	MO. AGO	YR. AGO
Total Nonfarm Wage & Salary	44,717	44,083	44,471	1.4	-0.1	91,364	90,690	91,141	0.1	0.2
Total Manufacturing	1,813	3,769	3,990	1.2	-4.4	7,856	7,835	7,700	0.3	2.0
Durable Goods	1,475	1,466	1,625	0.6	-9.2	4,208	4,138	4,043	1.7	2.8
Non-durable Goods	2,338	2,303	2,365	1.5	-1.1	3,648	3,697	3,657	-1.3	1.1
Total Nonmanufacturing	40,904	40,314	40,751	1.5	0.4	83,508	82,855	83,441	0.8	0.1
Construction	3,762	3,919	5,214	-4.0	-27.8	3,767	3,919	5,214	-4.0	-27.8
Transp., Com., Pub. Util.	2,837	2,847	3,006	-0.4	-5.6	6,130	6,163	5,933	-0.5	3.3
Total Trade	11,305	11,262	11,287	0.2	0.2	21,976	21,929	22,118	0.2	-0.6
Wholesale Trade	1,643	1,643	1,661	0.0	-1.1	3,623	3,538	3,535	2.4	2.5
Retail Trade	9,662	9,619	9,626	0.2	0.4	18,353	18,391	18,583	-0.2	-1.2
Finan., Insur., Real Est.	1,846	1,864	1,826	-1.0	1.1	3,230	3,280	3,130	-1.3	3.4
Services, Mining, & Misc.	12,446	12,448	12,104	0.0	2.8	26,140	26,477	24,969	-1.3	4.7
Health Services	5,641	5,604	5,363	0.7	5.6	9,133	9,107	8,584	0.3	6.4
Other Services	5,837	5,856	5,887	-0.3	-0.8	10,516	10,746	10,264	-2.1	2.5
Government	10,810	10,264	10,427	5.3	3.7	22,264	21,087	22,077	5.6	0.3

Southern Minnesota



By Sue Borgfelt

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP RATE		
	Oct 1988	Sep 1988	Oct 1987	Oct 1988	Sep 1988	Oct 1987	Oct 1988	Sep 1988	Oct 1987
REGION 6W	24,449	23,831	23,709	903	791	1,051	3.6	3.2	4.2
Big Stone	2,974	2,940	2,812	126	112	132	4.1	3.7	4.5
Chippewa	6,609	6,431	6,571	293	234	255	4.2	3.5	3.7
Lac Qui Parle	4,232	4,153	4,043	127	104	142	2.9	2.4	3.4
Swift	4,904	4,693	4,663	175	185	247	3.4	3.8	5.0
Yellow Medicine	5,730	5,614	5,620	184	158	275	3.1	2.7	4.7
REGION 8	60,612	59,814	57,857	2,284	2,102	2,357	3.6	3.4	3.9
Cottonwood	6,076	5,960	5,954	280	312	403	4.4	5.0	6.3
Jackson	5,165	5,005	4,957	243	250	409	4.5	4.8	7.6
Lincoln	3,281	3,229	3,285	135	108	113	4.0	3.2	3.3
Lyon	12,171	12,139	11,812	497	432	411	3.9	3.4	3.4
Murray	4,789	4,717	4,585	233	190	184	4.6	3.9	3.9
Nobles	11,047	10,825	10,084	246	318	338	2.2	2.9	3.2
Pipestone	5,581	5,729	5,207	298	134	98	5.1	2.3	1.8
Redwood	7,831	7,688	7,406	225	232	230	2.8	2.9	3.3
Rock	4,671	4,527	4,547	127	126	151	2.6	2.7	3.2
REGION 9	107,469	109,363	104,364	3,540	3,358	4,456	3.2	3.0	4.1
Blue Earth	28,362	27,845	27,115	660	631	764	2.3	2.2	2.7
Brown	13,466	13,754	13,238	494	375	533	3.5	2.7	3.9
Faribault	7,920	8,109	7,651	328	339	310	4.0	4.0	3.9
Le Sueur	10,311	11,659	9,716	585	567	771	5.4	4.6	7.4
Martin	11,228	11,113	11,952	465	479	812	4.0	4.1	6.4
Nicollet	14,541	14,275	13,901	363	351	460	2.4	2.4	3.2
Sibley	6,604	6,764	6,459	289	234	321	4.2	3.3	4.7
Waseca	9,156	9,913	8,905	230	231	334	2.5	2.3	3.6
Watsonian	5,881	5,931	5,425	126	151	151	2.1	2.5	2.7
REGION 10	220,773	220,771	210,445	6,918	6,384	8,858	3.0	2.8	4.0
Dodge	8,105	8,073	7,586	322	292	409	3.8	3.5	5.1
Fillmore	9,767	9,511	9,705	336	357	442	3.3	3.6	4.4
Freeborn	17,339	17,401	16,372	625	508	779	3.5	2.8	4.3
Goodhue	20,446	20,417	19,903	728	592	856	3.4	2.8	4.0
Houston	9,431	9,288	8,613	265	245	304	2.7	2.6	3.4
Mower	16,640	16,524	16,599	548	487	691	3.2	2.9	4.0
Olsted	58,525	58,973	56,430	1,352	1,440	2,172	2.6	2.4	3.7
Rice	27,956	27,790	25,832	997	870	1,125	3.4	3.0	4.2
Steele	15,966	16,093	15,516	454	558	658	2.8	3.4	4.1
Wabasha	9,074	9,336	8,449	328	284	414	3.5	3.0	4.7
Winona	27,524	27,365	25,640	763	751	1,028	2.7	2.7	3.9
Rochester City	36,190	36,467	34,894	1,196	1,083	1,329	3.2	2.9	4.2

Unemployment Rises Over The Month Across All Regions

Unemployment rates rose over the month in each region. Some of the increase in unemployment can be attributed to temporary shutdowns or seasonal layoffs. In each region and within most counties, the rates were still lower than a year ago, down from an average of 4.0 percent to an average of 3.2 percent. The labor force and employment levels were, with a few exceptions, generally up over the month in Regions 6W, 8 and parts of Region 10, and down in Region 9 and some of Region 10.

Nonfarm employment in the Rochester MSA decreased 0.2 percent over the month, a relatively small normal September-to-October drop. Nondurable goods manufacturing lost 216 workers (10.9%), and nonmedical services dropped 89 jobs (1.2%). All industries except retail trade, health services, and government likewise employed fewer workers than last month.

Despite losses over the month, this October there were 3.6 percent more jobs than last October. Health services added the most new workers (945, a 5.6 percent gain) and durable goods manufacturing added 537 jobs (an increase of 5.0 percent). Employment in finance, insurance and real estate grew by 7.1 percent, for an additional 109 jobs. Nondurable goods manufacturing and construction, together losing 25 jobs, were the only industries with fewer employees than last year. In July, both these industries employed more workers than the last July.

Health services employment in Rochester has increased by 48.0 percent since October 1978, and 20.9 percent since October 1983. The 5.6 percent gain since last October is the third-highest October-to-October jump since 1975, which is as far back as records date. From October 1986 to 1987, health services employment increased by 6.7 percent, and from October 1979 to 1980, it grew 6.3 percent.

ROCHESTER MSA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	October 1988	September 1988	October 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	59,711	59,803	57,611	-0.2	3.6
Total Manufacturing	11,246	11,463	10,718	-1.9	4.9
Durable Goods	9,472	9,473	8,935	0.0	6.0
Nondurable Goods	1,774	1,990	1,783	-10.9	-0.5
Total Nonmanufacturing	48,465	48,340	46,893	0.3	3.4
Construction & Mining	2,097	2,111	2,111	-0.7	-0.7
Transp., Comm., & Public Util.	1,696	1,726	1,664	-1.7	0.7
Total Trade	11,751	11,733	11,520	0.2	2.0
Wholesale Trade	1,278	1,306	1,280	-2.1	1.4
Retail Trade	10,473	10,427	10,240	0.4	2.1
Finan., Insur., & Real Estate	1,653	1,675	1,544	-1.3	7.1
Total Services	25,083	25,081	23,970	0.0	4.6
Health Services	17,778	17,697	16,833	0.5	5.6
Other Services	7,305	7,384	7,137	-1.2	2.4
Government	6,185	6,004	6,064	3.0	2.0

Research Summaries

By Bruce Steuernagel

Now that the 1988 Minnesota Salary Survey has been published, this Research Summary updates a historical series of occupational wages we periodically discuss in the Review.

The table on the following page shows median hourly wages for 18 occupations for which data has been collected annually since 1970. The occupations are ranked in order of 1988 wage level. Annual percent change in wages is compared with the rate of inflation as measured by the Consumer Price Index.

Between 1970 and 1988, wage increases lagged slightly behind inflation. As the table shows, most of the shortfall occurred during the period of very high inflation from 1978-1982.

Since 1982, rates of inflation and wage increase dropped to about one-third the 1978-1982 rate. Although the rate of change is based on only a small number of occupations, it appears that wage increases have equaled or slightly exceeded price inflation during the past six years, 3.4 percent compared to 2.8 percent. From 1982 to 1986, wage rate increases exceeded inflation, 3.7 percent to 2.5 percent.

During the past two years, wage rates for the 18 occupations grew slightly slower than inflation, 2.8 percent versus 3.5 percent. However, the change between 1986 and 1988 in the median hourly wage for a composite of 73 comparable occupational titles showed that wage rates increased by 3.5 percent annually. Thus wage growth rates estimated from the Minnesota Salary Survey for the past two years are in line with

the estimates of grow rates for wages and salaries paid to workers in the private sector from the Bureau of Labor Statistics' Employment Cost Index (ECI). According to the ECI, wages and salaries for private sector workers rose at an annual rate of 3.3 percent from the second quarter of 1986 to the second quarter of 1988.

When the 18 occupations were ranked by growth rate over the past two years, the top five on the list were registered nurses, heavy equipment operators, typist II, welders, and clerk III. The rate increases for heavy equipment operators and welders appears to reflect the increased demand for labor from the construction and manufacturing sectors during the past two years over the 1982-1986 period during which there was a general surplus of labor in these occupations. Then, labor unions which typically represent a good number of workers in occupations such as heavy equipment operators, negotiated for job security over wage increases. Wage freezes, roll-backs, or very modest wage increases were common. One could also assume that above average growth rates for clerical occupations and registered nurses also reflect strong demand for these skills as well as some shortage of workers with them.

The 1988 Minnesota Salary Survey collected data on 174 occupations between February and May 1988. Questionnaires were mailed to a total of 5,592 employers throughout the state. Responses were received from 3,277 employers or 58.6 percent. The data is reported for the state and six substate regions.

Median Hourly Wages and Annual Average Percent Change for
Selected Occupations in Minnesota, 1970-1988

OCCUPATIONAL GROUP	MEDIAN HOURLY WAGE					1988	ANNUAL PERCENT CHANGE (COMPOUNDED)					
	1970	1974	1978	1982	1986		1970-74	1974-78	1978-82	1982-86	1986-88	1970-88
EDP Programmer II	5.94	6.75	8.43	11.11	14.57	15.43	3.2	5.7	7.1	7.0	2.9	5.4
Accountant II	5.22	7.21	8.78	12.02	14.61	14.96	8.4	5.0	8.2	5.0	1.2	6.0
Heavy Equipment Operator	4.01	5.63	7.43	11.07	11.61	13.72	8.9	7.2	10.5	1.2	8.7	7.1
Registered Nurse (Hosp)	4.02	4.62	6.14	9.45	10.90	13.17	3.5	7.4	11.4	3.6	9.9	6.8
Maintenance Machinist	4.39	5.20	7.50	10.10	12.00	12.00	4.3	9.6	7.7	4.4	0.0	5.7
Medical Technologist (Hosp)	4.10	5.01	6.38	8.89	11.08	11.94	5.1	6.2	8.6	5.7	3.8	6.1
Auto Mechanic	3.82	4.87	6.53	11.00	12.36	11.21	6.3	7.6	13.9	3.0	-4.8	6.2
Electronics Technician	3.89	4.19	6.21	8.87	10.39	11.15	1.9	10.3	9.3	4.0	3.6	6.0
Welder	3.50	4.27	6.35	9.13	9.62	10.78	5.1	10.4	9.5	1.3	5.9	6.4
Clerk III	3.10	3.55	4.96	6.97	8.12	8.94	3.4	8.7	8.9	3.9	4.9	6.1
Typist II	2.36	2.83	4.15	5.77	7.09	8.20	4.6	10.0	8.6	5.3	7.5	-7.2
Accounting Clerk	2.60	3.00	4.00	5.63	6.88	7.53	3.6	7.5	8.9	5.1	4.6	6.1
Laborer	3.03	3.54	4.69	7.10	8.18	7.38	4.0	7.3	10.9	3.6	-5.0	5.1
Deliveryperson	3.86	4.50	5.00	6.75	7.01	7.00	3.9	2.7	7.8	0.9	-0.1	3.4
Janitor	2.80	3.63	4.85	6.29	6.74	6.92	6.7	7.5	6.7	1.7	1.3	5.2
Receptionist	2.31	2.74	3.65	5.11	5.95	6.40	4.4	7.4	8.8	3.9	3.7	5.8
Sewing Machine Operator	2.02	2.50	3.44	5.00	4.93	5.30	5.5	8.3	9.8	-0.4	3.7	5.5
Guard	1.96	2.30	3.15	4.76	5.51	5.00	4.1	8.2	10.9	3.7	-4.7	5.3
Average Median Survey Wage	3.50	4.24	5.65	8.06	9.31	9.84	4.9	7.4	9.3	3.7	2.8	5.9
CPI-W Mpls-St. Paul MSA (First-half Year Average) 1976=100	115.6	142.7	194.8	303.4	334.5	358.0	5.4	8.1	11.7	2.5	3.5	6.5

The Job Market

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, NOVEMBER 1988

By Mike Casey

SHORTAGE OCCUPATIONS*

SURPLUS OCCUPATIONS

MINNESOTA: 	food service workers# retail clerks# skilled trades (electricians, carpenters)# nursing (RN, LPN, aides)# truck drivers (over the road)#	clerical (inexperienced)# general laborers# factory workers# construction laborers#
CENTRAL MINNESOTA: 	food service workers# nursing (RN, LPN, aides) truck drivers (over the road)	clerical (inexperienced)# factory workers
MINNEAPOLIS-ST. PAUL: 	clerical (experienced)# food service workers# retail sales truck drivers (over the road)	electronics assemblers# warehouse workers# managers clerical (inexperienced)
NORTHEASTERN MINNESOTA: 	food service workers# nursing (RN, LPN, etc.)# plant electricians electronic technicians	clerical (inexperienced)# general laborers
NORTHWESTERN MINNESOTA: 	food service workers# nursing (RN, LPN)# truck drivers (over the road) automotive mechanics	construction laborers clerical (inexperienced)# factory workers#
SOUTHERN MINNESOTA: 	food service workers# truck drivers (over the road) retail clerks# nursing (RN, LPN)#	clerical (inexperienced)# general laborers# construction laborers#

* Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

Forecasts of GNP & Minnesota Payroll Employment

For the third quarter of 1988, real GNP grew at an annual rate of 2.6 percent, and total Minnesota non-farm payroll employment grew at 3.2 percent.

Our forecasts show Real GNP and Minnesota employment trending toward slower growth. The declines are consistent with those presented one quarter ago. This is shown as entry 88:4 in the table to the right.

Since the great inflation of the late seventies, national economic policy has been anti-inflationary rather than pro-growth. The last several quarters have seen expectations of inflation, and policy has responded with higher interest rates. Interest rates on 91 day treasury bills show 5.70, 6.23 and 6.99 percent in the first, second and third quarter.

Forecast Trends of One Year Growth Rates

	Real GNP		MN. Employment	
First Period	First Yr. Out	Second Yr. Out	First Yr. Out	Second Yr. Out
87:4	5.37	2.27	5.11	3.80
88:1	5.05	2.90	4.75	3.87
88:2	5.16	3.06	4.81	4.08
88:3	4.83	3.02	4.58	4.00
88:4	4.18	2.71	3.96	3.44

Thus the slower growth trends thus can be seen as the effect of policy rather than indications of more precipitous declines to come. The future depends on a continuation of judicious policy and the absence of unexpected shocks.

By Charles Cline

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1988:3	4,010.90	2,037.90	7.53	89.89	396.78	101.93	513.22	124.75	503.46	300.35
Forecasts										
1988:4	4,055.83	2,063.58	7.09	85.57	389.82	105.21	514.77	124.32	509.09	329.91
1989:1	4,100.32	2,014.43	6.59	64.04	384.68	102.28	496.77	124.46	504.55	331.18
1989:2	4,149.28	2,087.60	7.51	80.64	393.39	104.41	517.66	126.96	521.86	335.05
1989:3	4,189.04	2,114.77	7.61	94.83	411.62	105.03	526.39	128.72	528.39	308.16
1989:4	4,225.45	2,145.34	7.16	88.44	407.46	108.42	532.94	128.40	534.23	337.41
1990:1	4,258.50	2,092.20	6.71	65.74	403.24	105.50	514.21	128.55	529.54	338.59
1990:2	4,287.54	2,166.24	7.66	82.43	411.41	107.79	535.82	131.15	548.27	342.33
1990:3	4,314.05	2,193.61	7.70	96.32	429.06	108.48	542.24	133.01	553.28	316.53
1990:4	4,340.00	2,219.17	7.20	88.81	422.39	111.46	549.15	132.68	559.02	345.41

Notes

1. These forecasts are produced using the Vector Autoregression Model Developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Minnesota Economic Indicators

By Wilbur Maki and Peter Stenberg 1/

Beyond the splashy, attention-getting measures of unemployment and employment, and other macro measures, planners and policy makers, people in business and industry, and economists need a single or set of a few indicators to understand the status of economic health. As used and relied upon as is the unemployment rate, for example, it lacks scope as an overall economic indicator. Therefore, indicators which combine several economic measures are produced to summarize current conditions in state and local economies. They serve as an early warning system of imminent changes in state and regional business conditions. Over the years, various economic indicators have been developed and discontinued for one reason or another. Until now, an index of coincident indicators did not exist. Only a leading indicator was available to summarize the activities of the state as a whole.

The U.S. indicators were the prototype for the state and regional indicators, but the Minnesota economic indicators must differ from those of the U.S. simply because Minnesota's economy does not function like the U.S.'s. Minnesota's unique industry mix is more heavily

weighted toward durable goods manufacturing which tends to be highly cyclically sensitive. Even if the state's and U.S.'s economies were identical, geographical scale of activity alone would preclude the preparation of individual state and local indicator series that are comparable with the U.S. series.

The current U.S. economic indicator series includes 11 leading, four roughly coincident, and six lagging indicators. Leading indicators try to predict developments before they occur. The 11 leading indicators have anticipated the four recessions that struck during the past 20 years by an average of 8.5 months. But this series has also given numerous false starts to recessions that never took place. Many economists would like to see the 11-indicator series modified and improved. The main difficulty with the current leading indicator index is that because of the fast-moving economy, much of the input data available appears to need major redevelopment. The biggest problem is that most of the 11 series used in the index of leading indicators currently focus on too heavily on the goods-producing sectors of the economy. To correct that, the new U.S. indicator series would be more heavily weighted toward the service sector.

Work on the Minnesota Economic Indicators project was carried out under contract with the Research and Statistics Office of the Minnesota Department of Jobs and Training.

1/ Professor Wilbur Maki and Research Assistant Peter Stenberg respectively in the Department of Agriculture and Applied Economics, University of Minnesota.

State and Regional Economic Indicators

Several state and regional economic indicators are now widely published by university bureaus of business and economic research and state planning agencies. The number of indicator series published increased sharply during the 1970s, in part as a response to the

increasing severity of the general business cycle on state and local economies.

Most state and local economic indicators are confined to employment and unemployment, earnings and income, population and labor force, and state and local revenues and expenditures. For some metropolitan areas, a consumer price index is computed, as well as selected financial series such as bank deposits and loans. Building permit data is collected also, which includes the value of construction.

Paul Kozlowski (1988), in a study of 19 published composite indexes of leading indicators (ILI), divided the various indicators series into seven groups: regional labor market conditions, regional investment conditions, regional financial conditions, national investment conditions, and national demand conditions. The number of indicators used in the composite indexes varied from three to 11. The indexes are heavily dependent on the regional labor market conditions group; few use any national indicators.

Current Minnesota monthly and quarterly indicators of economic activity reported in the Minnesota Labor Market Review parallel corresponding U.S. data series published regularly by the U.S. Bureau of Labor Statistics and the U.S. Department of Commerce.

University staff in several areas in Minnesota also compile business indicators for their localities. A set of indicators for the Mankato Area (Mankato Area Business and Economic Review) is prepared by the Bureau of Business and Economic Research at Mankato State University. Economic indicators for Winona County are part of a quarterly report on the La Crosse Area (La Crosse Area Business and Economic Review) put out by the University of Wisconsin-La Crosse. The Duluth Business Index

(Duluth Business Indicators) produced by the Bureau of Business and Economic Research at the University of Minnesota has been around for approximately 20 years and provides a monthly coincident measure of economic activity.

Minnesota Economic Indicators

Employment and unemployment statistics alone can not explain important economic changes in an area, particularly when the sampling errors associated with estimates are likely to be significantly large. The staff of the Research and Statistics Office of the Minnesota Department of Jobs and Training and the authors felt strongly the need for the development of composite indicators for the state and the Twin City metropolitan area. Work on this project was carried out in cooperation with the Minnesota Department of Jobs and Training under the guidance of an advisory committee established for this purpose.

The new Minnesota monthly indicator series, available now for the first time, begins in 1970 and is a mixture of national and local indicators. A similar indicator series exists for the Twin Cities Metropolitan Area, but is not discussed here. Methodologies for state and area indicators generally are similar to procedures used by the U.S. Bureau of Economic Analysis for the national indicator series (see: Survey of Current Business, November 1987).

Reference Cycle

The seasonally adjusted nonagricultural wage and salary employment series is used as the reference cycle in this study. The advantages of this series are that it is an aggregate measure of economic activity, it is readily available, and it is simple to use. The Minnesota reference cycle, for example, clearly shows the turning points in the U.S. business cycle

Table 1. US Business and Minnesota Reference Cycles, 1960-1988

Trough		Peak	
US	MN	US	MN
--	--	Apr 1960	Sept 1960
Feb 1961	Feb 1961	Dec 1969	Mar 1970
Nov 1970	Feb 1971	Nov 1973	Aug 1974
Mar 1975	Apr 1975	Jan 1980	Jan 1980
July 1980	Aug 1980	July 1981	Mar 1981
Nov 1982	Aug 1982	--	--

listed in Table 1.

Coincident Index

The Minnesota index of coincident indicators (ICI) is made up of three components: 1) Seasonally adjusted nonagricultural wage and salary employment, 2) seasonally adjusted retail trade volume in constant 1987 dollars, and 3) total weekly manufacturing hours. Manufacturing employment is also a good coincidental indicator, but it is not included because it is part of nonagricultural wage and salary employment.

As can be seen on Chart 1, the index hits its lowest index value (67) in 1970, reached 100 in 1978 (although 1982 was

set at 100) and was near 130 in April 1988. The reference cycle and the composite index are compared in Table 2.

Leading Indicator Index

The Minnesota index of leading indicators (ILI) consists of five seasonally adjusted components: 1) U.S. money supply, 2) manufacturing average weekly earnings, 3) new business incorporations, 4) average weekly initial unemployment claims (inverted), and 5) building permit and public contracts for housing units. The trend of the index is adjusted to the trend of the coincident index. The Minnesota index reached its lowest value (86) during 1970, hit 100 in 1973 and again in 1976, 1981, and 1982 as shown in

Table 2: Turning Points of Minnesota Coincident Index (1970-1988)

Trough	Difference ¹	Peak	Difference ¹
Feb. 1971	0	Aug. 1974	0
April 1975	0	Oct. 1979	+3
Aug. 1980	0	Apr. 1981	-1
July 1982	-1	--	--

¹/ Number of months separating the turning points in the coincident index and the reference cycle. Positive indicates ahead, negative behind, and zero indicates matching.

Chart 1. Minnesota Index of Leading Indicators (MILI) and
Minnesota Index of Coincident Indicators (MICI), 1970-88

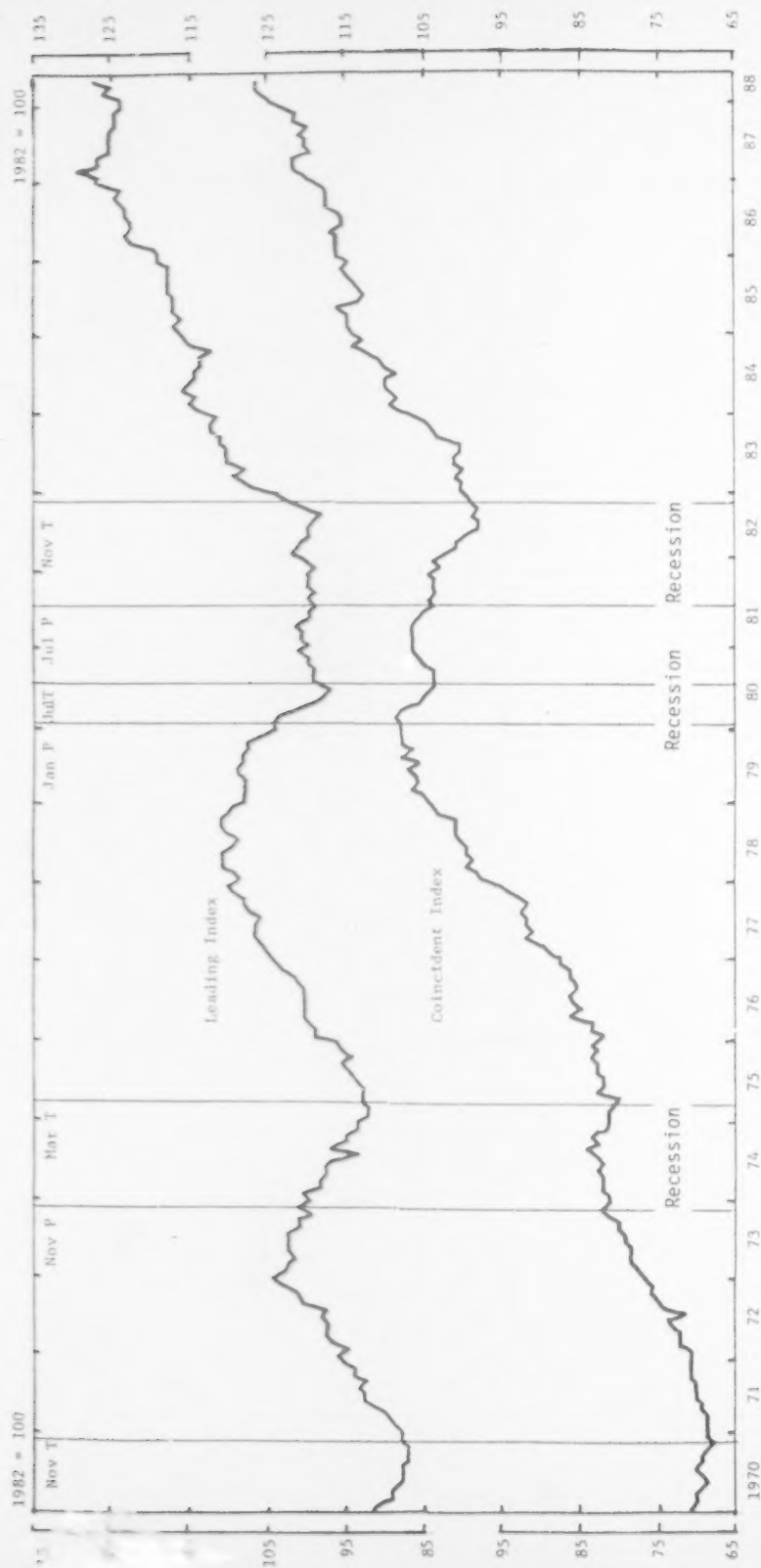


Table 3: Turning Points of Minnesota Leading Indicator Index

Trough	Lead (in months)	Peak	Lead (in months)
Feb. 1970	+9	Dec. 1972	+20
Feb. 1975	+2	Sept. 1978	+16
June 1980	+2	Oct. 1980	+5
Feb. 1981	+17		

Figure 2. The 1987 and 1988 values show slowing growth with the index approaching 130. The relationship between the leading indicator index and the reference cycle can be seen in Table 3. The index consistently leads reference cycle turning points with the lead varying from two to 20 months.

Using Economic Indicators

A good deal of subjective analysis is part of using any leading indicator index. The Minnesota leading index is

not as smooth as the coincidence index, and the 1980s are a particular problem. The double recession at the beginning of this decade makes the index series somewhat difficult to interpret. The problem arises from the short time span between recessions, and the erratic behavior of the Minnesota economy since the last recession. Nevertheless, the leading indicator index clearly shows an overall growth trend since the last recession that is consistent with the Minnesota and U.S. reference series.

Selected References

"Composite Indexes of Leading, Coincident, and Lagging Indicators," Survey of Current Business, Nov. 1988, pp. 24-28.

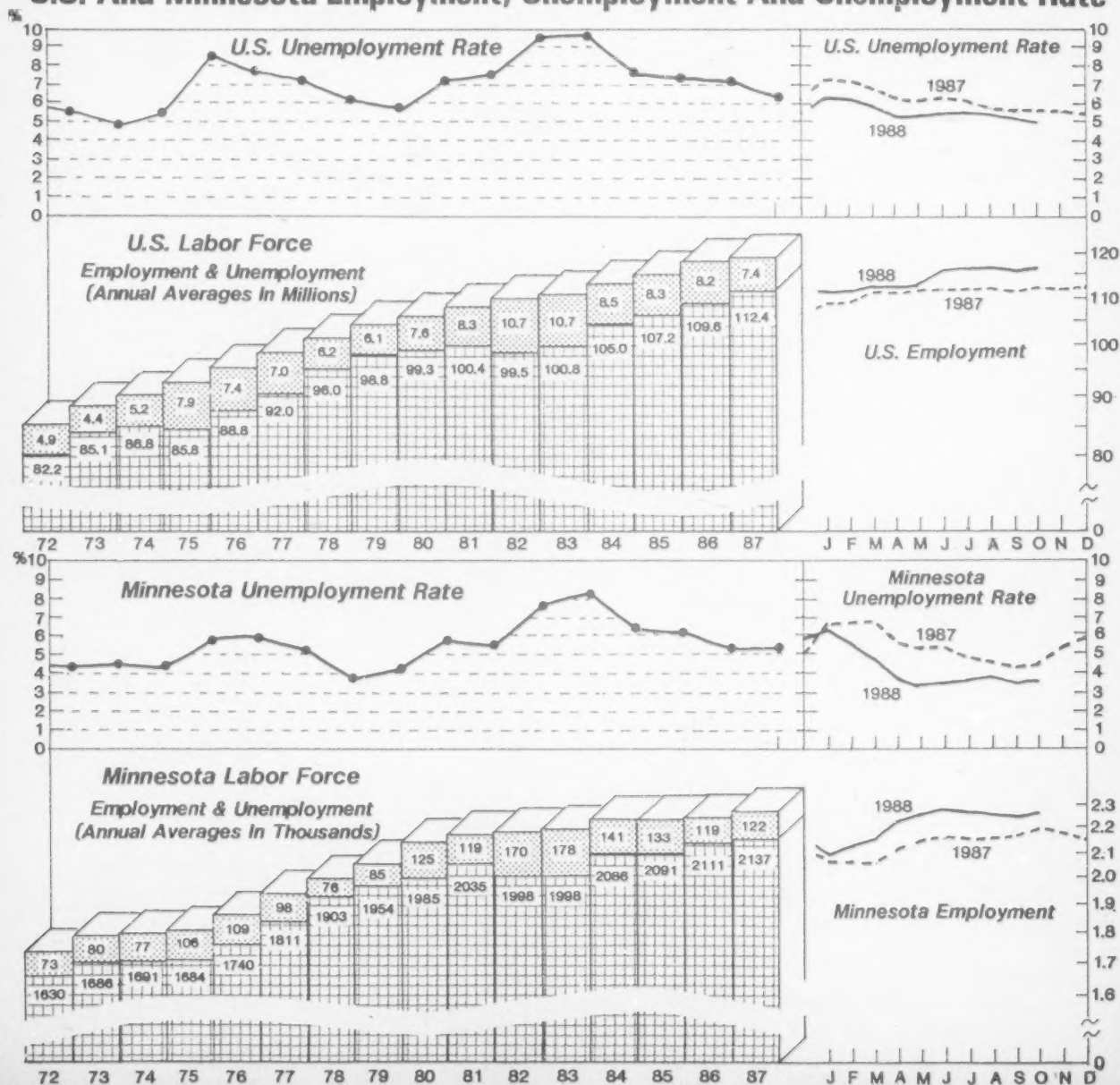
Kozlowski, Paul J., "Forecasting with Leading Indicators: Regional Economic Sense or Nonsense?" paper presented at the MidContinent Regional Science Association Meetings, June 1988.

Statistical Section

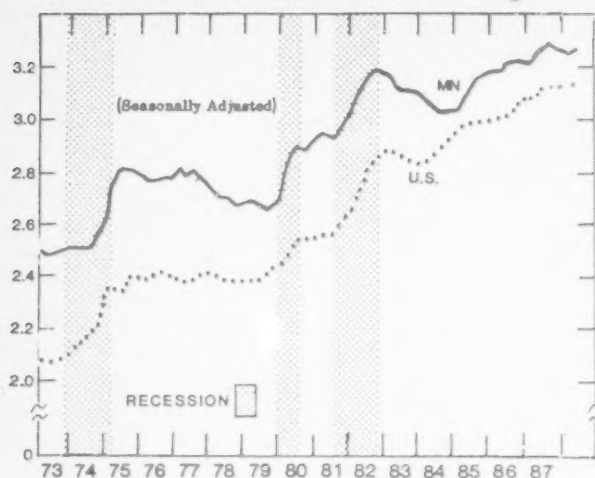
Labor Force Estimates *	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	October 1988	Change From		October 1988	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,357.6	11.0	64.1	122.4	0.6	1.7
Employed	2,271.6	5.7	76.8	116.3	0.8	2.4
Unemployed	86.0	5.3	-12.6	6.2	-0.2	-0.7
Unemployment Rate						
Actual	3.6	0.2	-0.7	5.0	-0.2	-0.7
Seasonally Adjusted	n.a.	n.a.	n.a.	5.3	-0.1	-0.7

*Components may not add to Civilian Labor Force due to rounding

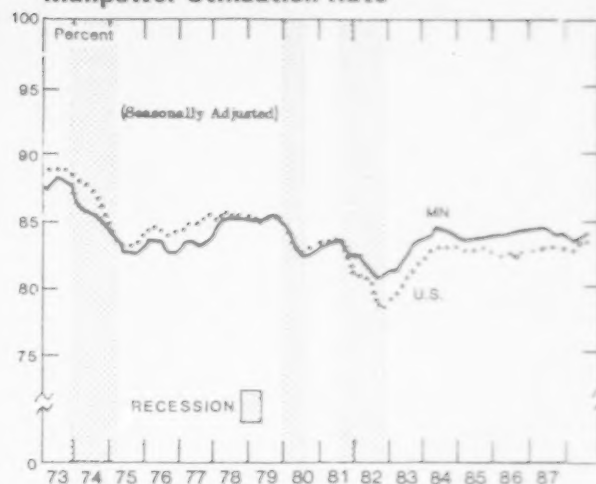
U.S. And Minnesota Employment, Unemployment And Unemployment Rate



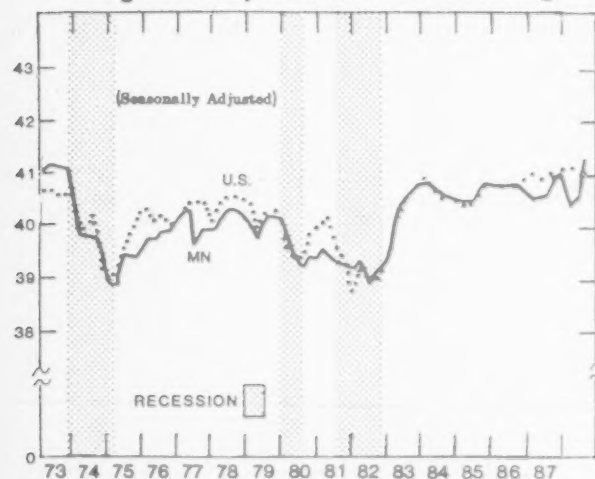
Ratio of Services to Goods Producing Jobs



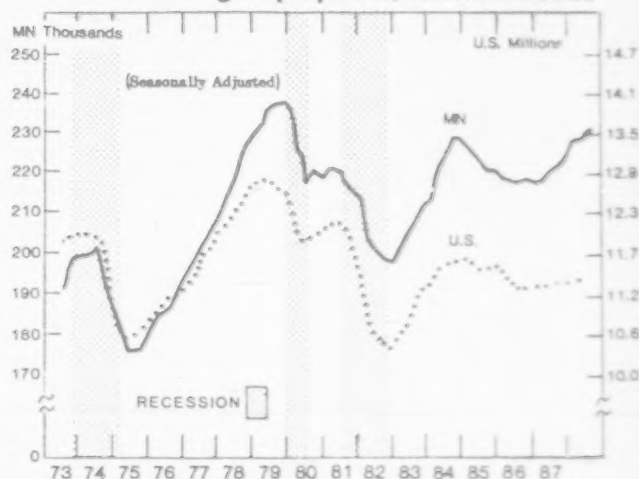
Manpower Utilization Rate



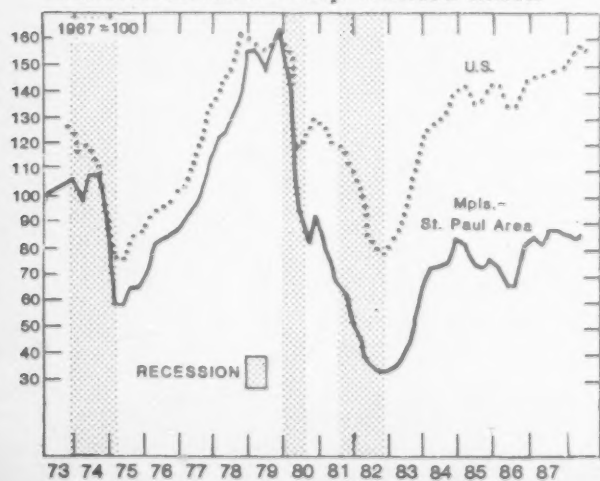
Average Weekly Hours, Manufacturing



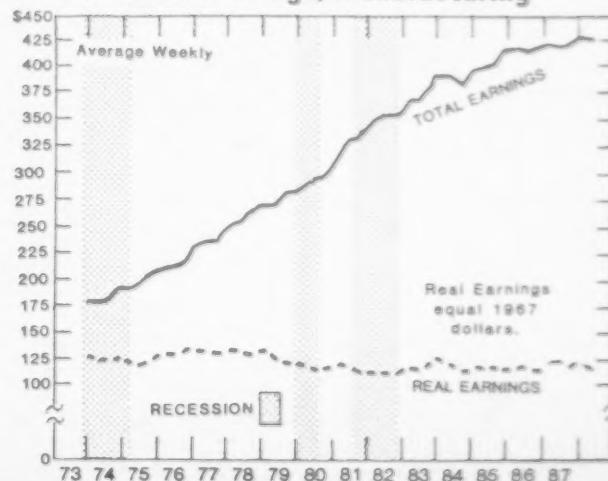
Manufacturing Employment, Durable Goods



Conference Board Help Wanted Index



Minnesota Earnings, Manufacturing



Unemployment Insurance Claimants in Minnesota

Characteristics	THIRD QUARTER 1988			OCTOBER 1988			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	13,383	-34.9	-5.4	12,945	6.5	1.8	18.7
Under 45	9,957	-34.8	-6.0	9,685	7.8	1.0	17.5
16-24	1,332	-39.0	-13.9	1,392	17.6	-5.0	13.1
25-34	5,009	-35.5	-7.6	4,830	8.5	-1.7	16.6
35-44	3,616	-32.2	-0.1	3,463	3.4	8.1	20.5
45 and Over	3,426	-35.2	-3.8	3,260	2.8	4.3	22.1
45-54	2,023	-34.2	-3.7	1,970	4.9	5.3	19.3
55 and Over	1,403	-36.7	-4.0	1,290	-0.3	2.7	26.3
Female	9,999	4.1	-7.0	8,293	0.1	-3.3	27.4
Under 45	7,225	4.3	-6.8	6,091	1.2	-4.2	26.1
16-24	950	-7.0	-14.0	891	11.0	-7.4	16.8
25-34	3,506	5.5	-8.3	3,026	2.8	-2.9	26.9
35-44	2,769	7.4	-2.0	2,174	-4.2	-4.6	28.9
45 and Over	2,774	3.4	-7.4	2,202	-2.8	-0.6	31.0
45-54	1,664	4.0	-7.2	1,335	-2.5	-2.6	29.6
55 and Over	1,110	2.4	-7.8	867	-3.3	2.5	33.1
By Industry	23,382	-22.5	-6.1	21,238	3.9	-0.2	22.1
Ag., For., Fish.	266	-37.9	7.7	239	21.9	-7.0	18.5
Mining	38	-84.2	-87.5	51	15.9	-58.5	9.1
Construction	3,240	-61.9	8.5	3,109	9.2	-3.1	10.5
Manufacturing	5,816	-15.7	-15.8	5,752	8.5	1.0	19.6
Pub. Utilities	1,048	-23.9	-10.5	941	-1.5	0.4	21.3
Wholesale Trade	1,890	-1.6	5.6	1,813	-1.5	15.4	27.2
Retail Trade	2,879	-10.6	-11.2	2,508	1.7	-4.5	26.1
Fin., Ins., Real Est.	1,181	-9.9	0.5	1,114	2.4	-9.8	31.7
Services	5,851	10.5	-5.0	4,485	-0.7	-3.7	29.3
Public Admin.	380	-8.0	-20.5	471	29.8	-23.0	15.1
Inf. Not Available	793	43.1	77.4	755	-7.9	109.1	10.7
By Occupation	23,382	-22.5	-6.1	21,238	3.9	-0.2	22.1
Prof., Tech., Mgr.	6,090	11.1	-2.6	5,308	-0.0	1.7	30.4
Clerical	3,648	6.8	-6.8	3,251	0.5	-3.4	27.8
Sales	1,219	-5.3	-6.6	1,142	0.8	-2.1	26.9
Services	1,760	-2.7	-9.2	1,539	7.8	-5.5	23.3
Farm., For., Fish.	191	-52.4	13.0	187	18.4	-19.4	13.5
Processing	748	-44.1	-32.4	748	4.8	-10.0	11.7
Machine Trade	1,291	-10.5	-12.4	1,347	9.8	10.6	17.3
Benchwork	1,937	-5.7	-13.4	1,757	13.1	0.7	21.7
Structural Work	3,718	-57.6	6.2	3,543	10.4	-0.3	10.8
Misc.	2,555	-35.8	-10.4	2,199	-2.5	1.0	16.3
Inf. Not Available	225	12.5	41.5	217	0.0	45.6	18.4
By Duration	23,382	-22.5	-6.1	21,238	3.9	-0.2	22.1
0-14 Weeks	18,190	-14.0	-3.5	16,544	5.4	2.7	
15+ Weeks (Long-Term)	5,192	-42.4	-14.3	4,694	-1.0	-9.2	

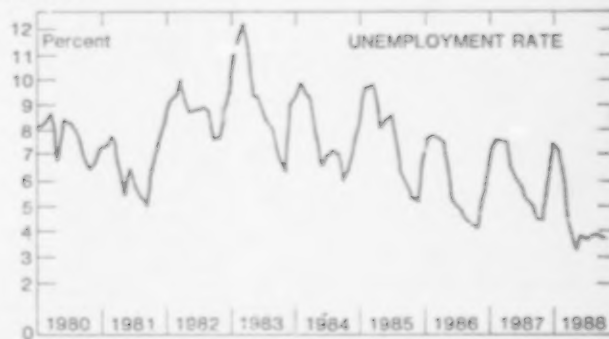
The above table includes data on those claiming benefits from the regular state program. Federal benefits from extended programs are reported only when those programs are in effect. employees and veterans are excluded, and recipients of

Employment and Unemployment Rates for MN Metro Areas

Minneapolis-St. Paul MSA



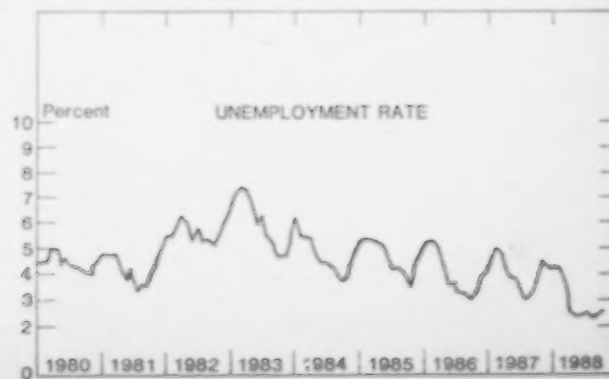
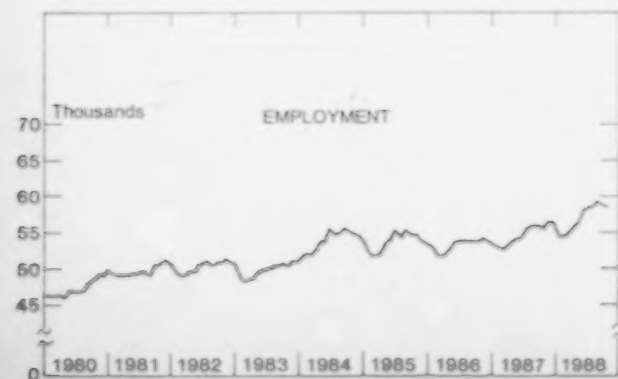
St. Cloud MSA



Duluth City



Rochester MSA



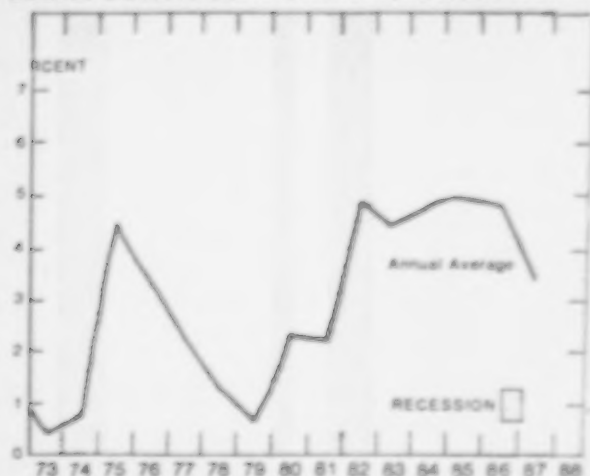
National Spending, Output, Income, and Prices

Type of Economic Activity	United States		
	III QUARTER 1988	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars)	4,007.3	0.6	3.7
Personal Consumption Expenditures	2,601.3	0.9	2.2
Durable Goods	411.0	0.1	1.1
Nondurable Goods	901.7	0.9	1.1
Services	1,288.5	1.1	3.3
Gross Private Domestic Investment	719.7	0.6	7.8
Nonresidential, Fixed	495.7	1.1	7.1
Residential, Fixed	190.2	0.3	-1.0
Net Exports	-94.9	#	#
Government Purchases	781.1	-0.3	-0.2
Federal	326.1	-1.7	-4.7
State and Local	455.0	0.6	3.2
Current Federal Budget Surplus (Deficit)1/	-124.8	-133.3	-138.3
Current Federal Budget Surplus (Deficit) as % of GNP1/	2.5	2.8	3.0
Retail Sales (in millions of dollars)	134,061	1.0	4.5
Industrial Production (Base Year - 1977)	138.2	1.6	5.6
Housing Starts (Annualized in Thousands)	1,454	-1.8	-10.2
Plant Utilization Rates	83.8	0.7	2.9
New Orders - Durable Goods (in millions of dollars)	119,269	0.0	9.6
Income and Credit			
Total Personal Income (in billions of dollars)	4,086.0	1.6	7.5
Total Disposable Personal Income (in billions of dollars)	3,498.9	2.3	8.5
Per Capita Personal Income			
Current Dollars	16,586	1.3	6.5
1982 Dollars	13,926	0.0	2.3
Median Family Income - Family of Four (in dollars)	n.a.	n.a.	n.a.
Poverty Threshold for Family of Four (in dollars)	11,650	n.a.	4.0
Average Weekly Earnings of Production Workers in Mfg.	417.53	0.3	3.4
Money and Credit			
Money Supply (M2) (in billions of dollars)	3,030.8	0.9	5.6
Federal Reserve Discount Rate	6.29	4.8	11.3
Prime Rate Charged by Banks	9.71	10.6	15.6
Consumer Installment Credit as % of Disp. Pers. Income	18.6	0.0	0.5
Prices			
Consumer Price Index (All Urban Consumers 1982-84=100)	119.1	1.4	4.1
Food	119.4	2.0	4.8
Housing	119.5	1.4	3.7
Apparel	114.4	-1.4	4.0
Transportation	109.4	1.4	2.8
Medical Care	139.9	1.7	6.6
Personal Care	119.5	0.7	3.4
Producer Price Index	108.0	1.3	4.1
Finished Goods	107.2	1.5	2.7
Raw Materials	97.2	0.7	1.1

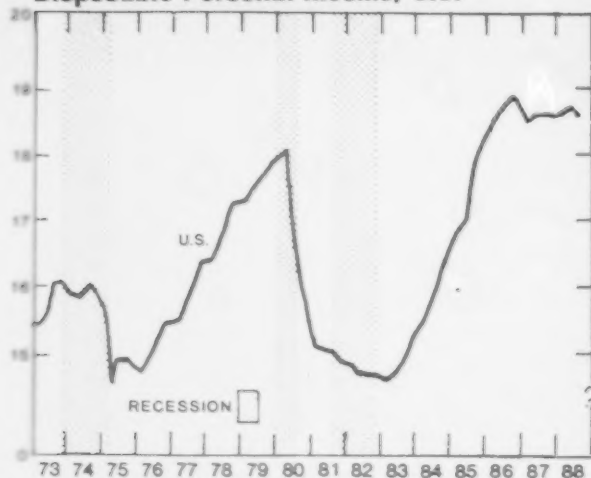
Percent change not applicable

1/ Represents values - not percent change.

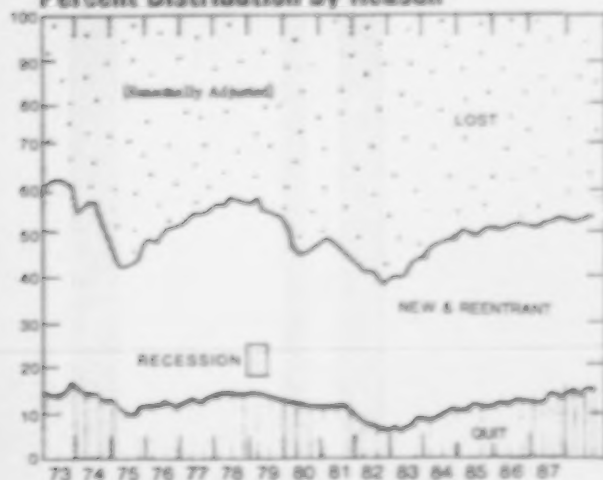
Federal Deficit as % of GNP (Current Dollars)



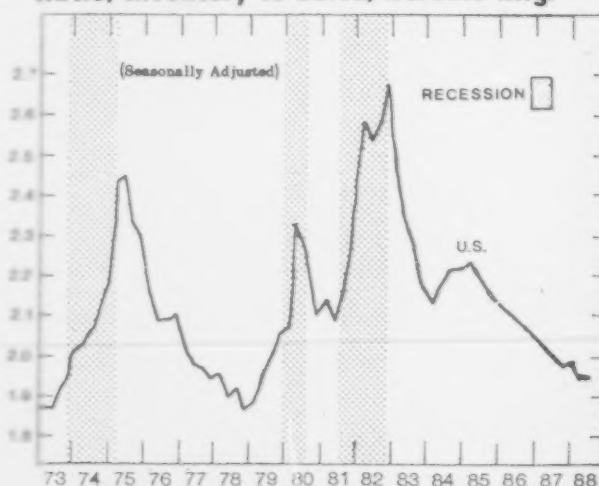
Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.



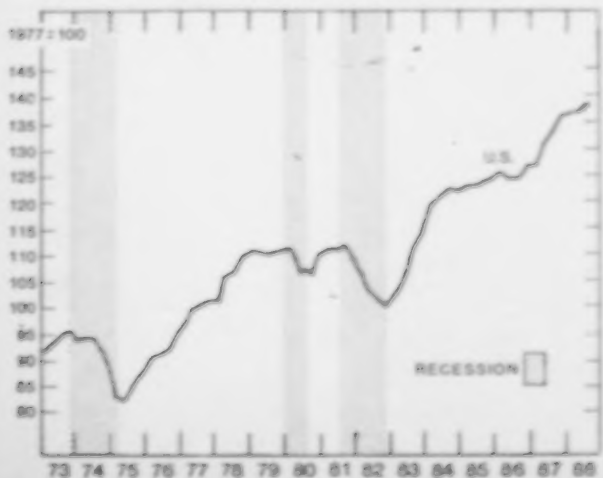
U.S. Unemployment: Percent Distribution by Reason



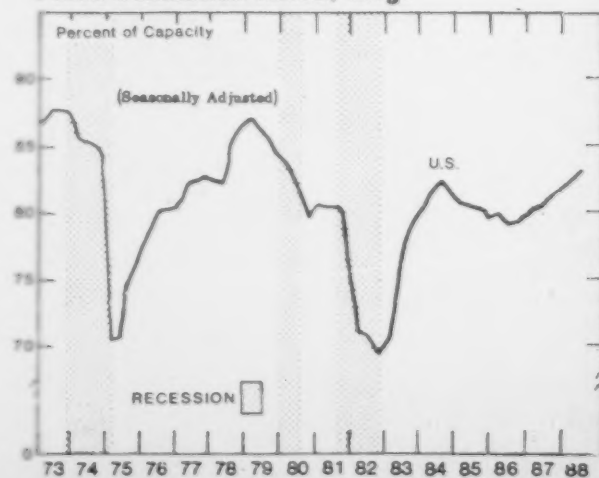
Ratio, Inventory to Sales, Durable Mfg.



Index of Industrial Production



Plant Utilization Rates, Mfg.

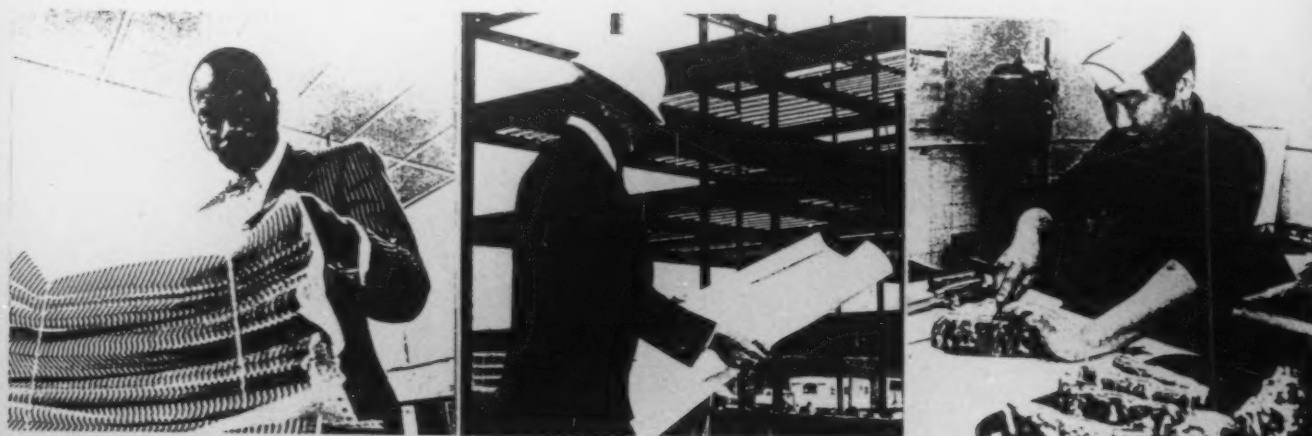


INTRODUCING TWO NEW PUBLICATIONS:

I

MINNESOTA EMPLOYMENT OUTLOOK TO 1993

Minnesota Employment Outlook to 1993 gives the growth prospects for over 400 occupations and close to 100 industries in the state of Minnesota. This edition updates information previously produced for the year 1990, due to recent changes in the economy and in occupational staffing. It is a valuable source on how many jobs of different types will likely be created over the next several years, as well as how many openings will result from individuals leaving the labor force. Special tables and graphics aid the reader in highlighting key occupations and industries, comparing Minnesota to the U.S., and relating occupational demand to educational requirements. This publication will be followed later in the year by others focusing on the employment outlook in different regions of the state.



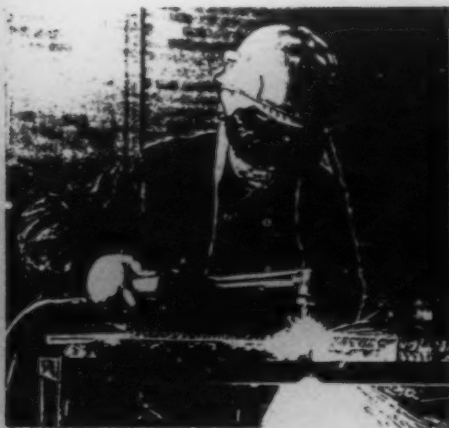
II

MINNESOTA EMPLOYMENT

Minnesota Employment summarizes and analyzes the large quantity of labor market data and other economic information which is collected by the Research and Statistics Office of the Minnesota Department of Jobs and Training. Several other publications from this office present raw data or deal with a specific labor market topic. Minnesota Employment combines employment information and related subjects in a short, objective assessment of current conditions and major trends. Specifically, this report features the following topics: discussion on labor force and employment trends; wages, prices, and income; employment conditions and employment outlook; and problems facing dislocated workers and other unemployed persons. Generous use of charts and maps enables the reader to digest the many facts easily.

Both publications will be available by January 31, 1989. Single copies of each can be ordered free of charge (while the initial supply lasts) by calling or writing the following:

Research and Statistics Office
Minnesota Department of Jobs and Training
390 North Robert Street
St Paul, Minnesota 55101
(612)296-6545



MINNESOTA LABOR MARKET REVIEW



MINNESOTA DEPARTMENT OF

Jobs and Training

Research & Statistics Office
390 North Robert Street
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Employment, Hours, and Earnings, 1950-1988, Minneapolis-St. Paul Area (May 1988)

Important Minnesota Occupations by Industry (April 1988)

1986 Occupational Employment Statistics in Minnesota (January 1988)

1984 Occupational Employment Statistics in Minnesota (October 1985)

1988 Minnesota Salary Survey (November 1988)

1988 Minnesota Hospitals and Nursing Homes Salary Survey

1988 Minnesota Salaries by Industry and by Employer Size

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Minnesota Average Covered Employment and Wages by Economic Region for the Calendar Year 1987
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Report on Permanent Mass Layoffs and Plant Closings in Minnesota (July 1988)

State and Area Labor Force Estimates January, 1980 - December, 1987

Minnesota Employment

MINNESOTA Labor Market Review

December 1988 Supplement

Nation 

State 

By Ben Boyle

Unemployment Rate Rises Slightly But Payroll Employment Posts Huge Gain

The nation's seasonally adjusted unemployment rate edged up to 5.4 percent in November from 5.3 percent in October. November's rate was the same as in September and slightly above the 14-year lows recorded in October and June. Meanwhile, seasonally adjusted nonfarm employment rose by a very strong 463,000 in November, nearly twice the 238,000 gain in October. Except for mining, employment growth in the goods-producing sector was substantial as construction increased by 55,000 and manufacturing employment rose 71,000. With the 99,000 gain in October, the two-month rise in manufacturing was the biggest since 1983. Employment in the service-producing industries rose by 344,000 in November as the service industry (business services, health services, etc.) climbed by 194,000.

Other Monthly Indicators Continue To Show Healthy Growth

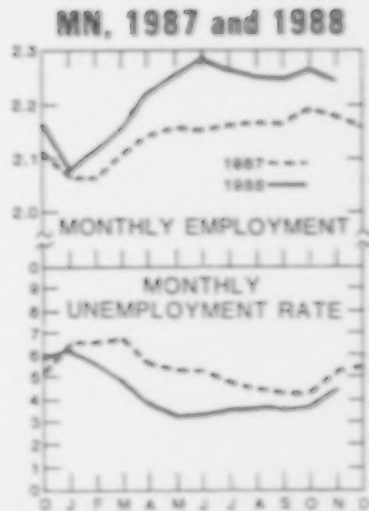
Consumers are spending more than expected as both retail sales and personal consumption expenditures rose strongly in both October and November. Also, industrial production and housing starts continued to rise.

November Rise In Unemployment Rate Is About Normal; Payroll Employment Expands Strongly For Second Straight Month

The State's seasonally unadjusted unemployment rate rose 0.8 of a percentage point to 4.5 percent in November. The November increase was in line with the October to November rate gains of past years. A year ago in November the rate was 5.2 percent.

Seasonally adjusted nonfarm wage and salary employment showed further strength in November as it rose by a still healthy 8,100 after a very steep rise of 10,500 in October. More than one-fourth of the November increase in payroll jobs was in the durable goods manufacturing sector. The big gains within durable goods were in electrical machinery, nonelectrical machinery and lumber and wood products. Other sizeable November employment growth took place in nondurable goods manufacturing, local government and retail trade. Over the year, payroll employment was up 62,000 or 3.1 percent. The largest over-the-year increases were in the services industry, trade and manufacturing.

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	November 1988	Change From		November 1988	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2353.2	12.4	60.1	122.6	0.2	2.0
Employed	2246.8	-8.5	72.8	116.3	0.1	2.5
Unemployed	106.4	20.9	-12.6	6.3	0.1	-0.5
Unemployment Rate						
Actual	4.5	0.8	-0.7	5.2	0.2	-0.4
Seasonally Adjusted	n.a.	n.a.	n.a.	5.4	0.1	-0.5



Minnesota Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Nov. 1988	Oct. 1988	Nov. 1987	Oct. 1988	Nov. 1987	Nov. 1988	Nov. 1987	Nov. 1988	Nov. 1987	Nov. 1988	Nov. 1987
Total Nonagricultural	2,066.8	2,067.6	2,004.6	0.0	3.1	-	-	-	-	-	-
Manufacturing	391.8	392.7	378.4	-0.2	3.5	433.70	424.73	10.63	10.41	40.8	40.8
Durable Goods	234.1	233.9	224.4	0.1	4.3	450.02	447.68	10.87	10.71	41.4	41.8
Lumber and Furniture	22.9	23.0	21.1	-0.2	8.4	458.11	465.20	11.93	11.43	38.4	40.7
Stone, Clay and Glass	9.1	9.5	8.7	-3.7	5.0	438.11	408.80	10.66	10.22	41.1	40.0
Primary Metals	7.2	7.2	6.5	-0.3	10.7	403.92	404.49	9.64	9.32	41.9	43.4
Fabricated Metals	33.4	33.5	34.0	-0.5	-1.8	492.06	507.18	12.09	11.85	40.7	42.8
Nonelectrical Machinery	81.8	81.6	79.1	0.2	3.4	481.37	475.31	11.38	11.29	42.3	42.1
Office and Computing	38.7	38.7	38.7	0.0	0.0	511.29	534.97	11.70	12.27	43.7	43.6
Electrical Machinery	30.9	30.7	28.7	0.6	7.9	371.55	357.37	8.91	8.57	41.7	41.7
Transportation Equipment	10.7	10.6	10.2	0.5	5.1	534.16	533.39	12.14	12.29	44.0	43.4
Scientific Instruments	31.6	31.5	30.4	0.3	4.0	421.87	418.00	10.19	10.22	41.4	40.9
Misc. Manufacturing	6.5	6.2	5.8	4.0	12.0	431.40	415.67	9.94	9.85	43.4	42.2
Nondurable Goods	157.7	158.9	154.0	-0.7	2.4	413.83	396.40	10.32	10.01	40.1	39.6
Food and Kindred	45.1	46.9	45.3	-3.8	-0.3	397.18	363.26	9.28	8.86	42.8	41.0
Textiles and Apparel	5.0	4.9	4.8	0.5	3.0	276.66	266.08	7.46	7.33	37.1	36.3
Paper and Allied	32.9	32.5	32.2	1.2	2.2	497.74	498.61	12.14	11.90	41.0	41.9
Printing and Publishing	47.7	47.4	45.7	0.6	4.2	408.67	387.82	10.84	10.51	37.7	36.9
Chemicals and Petroleum	11.1	11.0	10.8	0.4	2.5	476.54	470.30	12.41	11.67	38.4	40.3
Rubber, Plastic & Leather	15.9	16.0	15.1	-0.7	5.4	359.33	345.54	9.12	8.77	39.4	39.4
Nonmanufacturing	1,675.0	1,674.9	1,626.3	0.0	3.0	-	-	-	-	-	-
Mining	7.2	7.4	6.7	-3.7	6.8	564.14	552.94	13.15	12.77	42.9	43.3
Metal Mining	5.3	5.3	4.8	-1.6	8.5	594.59	595.81	13.86	13.76	42.9	43.3
Construction	82.8	87.8	87.5	-5.7	-5.4	593.63	595.59	15.83	15.39	37.5	38.7
Transp., Comm., Pub. Util.	104.4	104.1	102.8	0.3	1.6	-	-	-	-	-	-
Transportation	69.5	69.4	68.2	0.1	2.0	-	-	-	-	-	-
Trucking & Warehousing	26.6	26.4	27.0	0.9	-1.3	410.87	404.26	12.76	12.14	32.2	33.3
Comm. & Public Util.	34.9	34.7	34.6	0.6	0.9	558.36	572.82	15.05	14.65	37.1	39.1
Trade	518.0	514.2	497.6	0.7	4.1	226.00	229.91	7.82	7.82	28.9	29.4
Wholesale	126.4	126.4	122.4	0.0	3.3	404.92	418.95	10.60	10.77	38.2	38.9
Retail	391.6	387.8	375.2	1.0	4.4	174.49	175.29	6.66	6.59	26.2	26.6
Building Materials	18.0	17.8	17.5	1.4	2.9	312.68	344.82	8.59	8.91	36.4	38.7
General Merchandise	61.6	59.1	58.4	4.2	5.5	154.56	143.86	6.44	5.92	24.0	24.3
Food Stores	52.7	52.2	50.0	0.9	5.3	190.16	195.68	6.94	7.09	27.4	27.6
Automotive	41.6	41.5	40.0	0.2	4.1	308.01	321.66	8.98	8.96	34.3	35.9
Apparel	20.6	20.1	20.3	2.4	1.3	117.08	122.58	5.25	5.40	22.3	22.7
Home Furnishings	18.4	18.1	16.7	1.4	9.7	241.07	249.95	7.93	7.86	30.4	31.8
Eating and Drinking	128.0	129.4	122.8	-1.0	4.3	109.45	104.56	4.93	4.71	22.2	22.2
Fin., Insur., Real Estate	123.1	123.6	120.7	-0.4	1.9	-	-	-	-	-	-
Finance	56.4	56.5	56.0	-0.3	0.8	-	-	-	-	-	-
Insurance	45.7	45.7	44.8	0.2	2.2	-	-	-	-	-	-
Real Estate	21.0	21.4	20.0	-1.9	4.7	-	-	-	-	-	-
Services	504.9	507.4	484.1	-0.5	4.3	1/ Totals may not add because of rounding. 2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Personal Services	26.7	26.7	25.4	-0.3	4.9						
Business Services	103.3	102.8	95.8	0.5	7.8						
Repair Services	21.7	21.5	19.9	0.8	9.0						
Health Services	154.9	154.5	150.7	0.2	2.7						
Hospitals	53.1	53.0	51.7	0.2	2.6						
Nursing Homes	41.3	41.2	41.3	0.2	0.0						
Legal Services	15.0	15.0	14.4	0.5	4.3						
Private Education	27.9	27.6	27.2	1.3	2.8						
Government	334.5	330.4	326.9	1.3	1.9						
Federal	33.9	33.9	33.3	0.0	1.7						
State	84.0	83.8	81.8	0.3	2.6						
Education	46.8	46.3	46.0	1.3	1.9						
Local	216.7	212.7	211.7	1.9	2.3						
Education	119.4	116.3	116.4	2.8	2.6						

Minneapolis-St. Paul MSA

By Kevin Alaspa

The Twin Cities Unemployment Rate Rises

The metropolitan area's unemployment rate rose one-half percent between October and November 1988. Given that the jobless rate has risen between these two months every year since 1978, this was a normal seasonal development. What was different this year was that both the number and percent unemployed were lower than in November 1987.

Employment In Most Industries Changes Only Slightly

Wage and salary employment rose by only 800 between October and November. Manufacturing employment was stable, and the nonmanufacturing industries combined gained only 1,000 workers. Construction employment declined by 2,200, an anticipated seasonal development. This was offset by a gain of 2,300 in retail trade as stores added employees in preparation for the Christmas shopping season. The number of jobs in finance, insurance and real estate, services and government changed very little between October and November.

Over the next few months, unemployment should continue to rise as seasonal work such as construction continues to wind down. The economy of the Twin Cities remains strong, and many industries have been responsible for job creation. Nearly 25,000 wage and salary jobs have been added since last year, mostly in nonmanufacturing industries. Service industries and retail trade continue to grow, and many jobs are being created by newly emerging companies. Specialty retailers and business services have been in the forefront in job development over the past few years.

The year 1989 should be characterized by continued steady job growth. The local employment climate should continue to benefit from the strong national economy, and even if employment growth slows somewhat as the number of persons entering the labor force declines, that should not be perceived as a signal that the local economy is weakening.

Labor Force Data

AREA	EMPLOYMENT			UNEMPLOYMENT			RATE OF UNEMPLOYMENT		
	Nov 1988	Oct 1988	Nov 1987	Nov 1988	Oct 1988	Nov 1987	Nov 1988	Oct 1988	Nov 1987
Mpls-St. Paul MSA	1,343,966	1,340,114	1,315,451	55,223	47,175	59,819	3.9	3.4	4.3
REGION 11	1,261,571	1,257,897	1,235,456	51,286	44,368	54,853	3.9	3.4	4.3
Anoka	126,407	126,038	123,790	5,922	4,867	5,978	4.5	3.7	4.6
Carver	23,184	23,117	22,704	926	708	793	3.8	3.0	3.4
Dakota	132,948	132,561	130,196	5,822	4,949	5,718	4.2	3.6	4.2
Hennepin	606,960	605,192	594,396	23,653	21,124	25,122	3.8	3.4	4.1
Ramsey	274,323	273,524	268,644	10,736	9,230	12,383	3.8	3.3	4.4
Scott	27,274	27,195	26,710	1,529	1,064	1,612	5.3	3.8	5.7
Washington	70,475	70,270	69,016	2,698	2,426	3,247	3.7	3.3	4.5
Chisago	13,820	13,780	13,534	813	565	879	5.6	3.9	6.1
Isanti	11,919	11,884	11,672	629	469	674	5.0	3.8	5.5
Wright	31,555	31,463	30,902	1,591	1,123	1,787	4.8	3.4	5.5
St. Croix, WI	25,101	25,090	23,887	904	650	1,626	3.5	2.5	6.4
Bloomington	57,207	57,040	56,022	2,198	1,945	2,295	3.7	3.3	3.9
Minneapolis	211,626	211,009	207,245	9,480	8,553	9,892	4.3	3.9	4.6
St. Paul	145,634	145,210	142,619	6,710	5,712	7,946	4.4	3.8	5.3

Mpls.-St. Paul Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Nov. 1988	Oct. 1988	Nov. 1987	Oct. 1988	Nov. 1987	Nov. 1988	Nov. 1987	Nov. 1988	Nov. 1987	Nov. 1988	Nov. 1987
Total Nonagricultural	1334.9	1334.1	1310.5	0.1	1.9	-	-	-	-	-	-
Manufacturing	261.8	261.9	256.6	-0.1	2.0	458.69	453.29	11.27	11.11	40.7	40.8
Durable Goods	163.8	164.0	160.0	-0.2	2.4	472.16	469.98	11.35	11.19	41.6	42.0
Lumber and Furniture	9.5	9.5	9.0	-0.7	4.7	502.60	497.33	12.66	12.13	39.7	41.0
Stone, Clay and Glass	3.7	3.7	3.3	0.3	13.3	503.07	438.46	12.30	10.54	40.9	41.6
Primary Metals	5.1	5.1	4.8	-0.2	7.7	397.62	400.03	9.40	9.03	42.3	44.3
Fabricated Metals	25.7	25.8	26.3	-0.3	-2.2	508.93	529.52	12.66	12.43	40.2	42.6
Nonelectrical Machinery	64.1	64.2	62.5	-0.2	2.5	497.64	488.25	11.60	11.57	42.9	42.2
Office and Computing	31.2	31.3	31.7	-0.3	-1.6	502.85	496.10	11.30	11.84	44.5	41.9
Electrical Machinery	16.8	16.9	16.7	-0.1	0.8	371.85	361.10	9.25	9.05	40.2	39.9
Transportation Equipment	6.0	6.0	5.6	-0.2	6.4	697.34	735.70	15.36	15.62	45.4	47.1
Scientific Instruments	29.5	29.4	28.2	0.3	4.5	430.77	430.54	10.38	10.45	41.5	41.2
Misc. Manufacturing	3.4	3.5	3.6	-0.4	-4.8	461.78	430.42	10.84	9.76	42.6	44.1
Non-durable Goods	98.0	97.9	96.6	0.1	1.4	438.20	428.61	11.15	10.99	39.3	39.0
Food and Kindred	18.2	18.2	18.2	-0.2	0.1	506.78	462.97	11.65	11.21	43.5	41.3
Textiles and Apparel	2.3	2.3	2.0	0.8	11.2	258.40	250.66	6.80	6.83	38.0	36.7
Paper and Allied	25.1	24.8	24.9	1.3	0.7	459.01	467.37	11.65	11.54	39.4	40.5
Printing and Publishing	32.4	32.4	32.0	0.0	1.3	401.19	395.65	10.67	10.81	37.6	36.6
Chemicals and Petroleum	9.3	9.4	9.1	-0.3	2.7	512.62	488.06	13.78	12.71	37.2	38.4
Rubber, Plastic & Leather	10.8	10.9	10.4	-1.1	3.1	383.90	394.71	9.92	9.77	38.7	40.4
Nonmanufacturing	1073.1	1072.2	1054.0	0.1	1.8	-	-	-	-	-	-
Mining	0.6	0.6	0.6	-4.1	1.3	407.50	208.78	11.95	8.03	34.1	26.0
Construction	56.9	59.1	56.4	-3.7	1.0	631.59	623.28	17.07	16.80	37.0	37.1
Transp., Comm., Pub. Util.	72.4	72.2	71.8	0.2	0.8	-	-	-	-	-	-
Transportation	49.4	49.4	49.1	0.0	0.7	-	-	-	-	-	-
Trucking & Warehousing	15.8	15.9	16.7	-0.6	-5.4	391.15	384.50	13.17	12.99	29.7	29.6
Comm. & Public Util.	23.0	22.8	22.7	0.7	1.2	577.02	561.60	14.91	14.29	38.7	39.3
Trade	329.0	326.7	323.4	0.7	1.7	254.91	253.25	8.70	8.47	29.3	29.9
Wholesale	86.8	86.6	85.2	0.1	1.8	445.06	452.13	11.53	11.36	38.6	39.8
Retail	242.3	240.0	238.2	0.9	1.7	195.89	192.34	7.42	7.15	26.4	26.9
Building Materials	10.9	10.7	10.5	1.6	3.5	364.36	345.60	10.47	9.60	34.8	36.0
General Merchandise	42.0	40.9	41.7	2.6	0.7	164.03	156.49	6.75	6.21	24.3	25.2
Food Stores	28.3	28.3	27.6	0.2	2.7	237.14	237.99	8.35	8.38	28.4	28.4
Automotive	23.8	23.8	23.4	0.2	1.8	373.76	390.64	10.24	9.94	36.5	39.3
Apparel	13.5	13.1	13.5	2.9	0.2	108.36	122.73	5.26	5.63	20.6	21.8
Home Furnishings	12.1	11.9	11.6	1.7	4.2	252.11	231.19	8.46	7.63	29.8	30.3
Eating and Drinking	79.5	80.1	78.4	-0.7	1.4	125.55	117.74	5.58	5.28	22.5	22.3
Fin., Insur., Real Estate	96.6	96.5	94.1	0.0	2.6	-	-	-	-	-	-
Finance	41.4	41.4	40.6	0.0	1.9	-	-	-	-	-	-
Insurance	38.4	38.3	37.3	0.3	3.1	-	-	-	-	-	-
Real Estate	16.7	16.9	16.2	-0.6	3.3	-	-	-	-	-	-
Services	337.1	337.1	330.0	0.0	2.2	^{1/} Totals may not add because of rounding. ^{2/} Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Personal Services	18.5	18.6	17.8	-0.7	3.8						
Business Services	83.5	83.3	81.9	0.3	2.0						
Repair Services	15.6	15.5	14.7	0.6	5.7						
Health Services	86.2	86.0	85.4	0.2	0.8						
Hospitals	30.6	30.6	31.1	0.2	-1.5						
Nursing Homes	21.8	21.7	22.2	0.5	-1.8						
Legal Services	11.9	11.9	11.4	0.6	4.4						
Private Education	16.3	15.8	16.6	2.9	-2.2						
Government	180.5	179.9	177.7	0.3	1.5						
Federal	20.7	20.6	20.3	0.5	2.1						
State	55.3	55.7	53.4	-0.7	3.6						
Education	31.0	30.6	30.6	1.4	1.3						
Local	104.4	103.5	104.0	0.9	0.4						
Education	57.2	56.0	57.0	2.2	0.4						

Central and Northwest Minnesota



By Ron Daws

Labor Force Data

AREA	EMPLOYMENT			UNEMPLOYMENT			RATE OF UNEMPLOYMENT		
	Nov 1988	Oct 1988	Nov 1987	Nov 1988	Oct 1988	Nov 1987	Nov 1988	Oct 1988	Nov 1987
St. Cloud MSA*	92,693	92,666	88,232	4,913	3,697	5,195	5.0	3.8	5.6
REGION 1	40,615	42,087	38,673	2,755	2,167	3,343	6.4	4.9	8.0
Kittson	2,331	2,449	2,333	162	134	270	6.5	5.2	8.6
Marshall	4,468	4,750	4,196	513	387	662	10.3	7.5	13.6
Norman	3,519	3,597	3,326	225	159	284	6.0	4.2	7.9
Pennington	6,405	6,659	6,069	316	291	500	4.7	4.2	7.6
Polk	14,034	14,759	13,566	967	793	1,106	6.4	5.1	7.5
Red Lake	1,360	1,419	1,391	190	159	215	12.3	10.1	13.4
Roseau	8,498	8,454	7,792	382	244	356	4.3	2.8	4.4
REGION 2	29,273	30,227	27,140	1,994	1,529	2,682	6.4	4.8	8.9
Beltrami	15,636	15,820	14,875	880	693	1,156	5.3	4.2	7.2
Clearwater	3,082	3,282	2,976	392	301	530	11.3	8.4	15.1
Hubbard	6,536	7,022	5,821	463	354	643	6.6	4.8	9.9
Lake of Woods	1,716	1,781	1,616	87	60	143	4.8	3.3	8.1
Mahnomen	2,303	2,322	2,152	172	121	120	6.9	5.0	8.9
REGION 4	93,841	95,402	90,297	4,983	3,686	5,825	5.0	3.7	6.1
Becker	12,421	12,620	11,090	911	665	1,154	6.8	5.0	8.1
Clay	25,470	25,601	24,675	855	662	1,082	3.2	2.5	4.2
Douglas	14,161	14,307	13,999	761	603	864	5.1	4.0	5.8
Grant	2,816	2,883	2,613	165	118	207	5.5	3.9	7.3
Otter Tail	24,085	24,610	22,198	1,548	1,082	1,641	6.0	4.2	6.9
Pope	4,489	4,705	4,032	281	212	328	5.9	4.3	7.5
Stevens	5,106	5,203	4,710	237	150	276	4.4	2.8	5.5
Traverse	2,037	2,184	1,888	82	81	110	3.9	3.6	5.5
Wilkin	3,256	3,289	3,092	143	113	163	4.2	3.3	5.0
REGION 5	55,911	57,730	51,682	4,309	3,237	4,837	7.2	5.3	8.6
Cass	7,434	8,013	7,005	814	588	972	9.9	6.8	12.2
Crow Wing	20,217	20,907	18,749	1,440	1,056	1,661	6.6	4.8	8.1
Morrison	13,421	13,596	11,984	1,055	763	1,128	7.3	5.3	8.6
Todd	10,080	10,376	9,462	699	590	709	6.5	5.4	7.0
Wadena	4,759	4,838	4,482	301	240	367	5.9	4.7	7.6
REGION 6E	53,987	55,902	49,601	2,846	1,974	2,973	5.0	3.4	5.7
Kandiyohi	19,138	20,209	17,799	873	603	1,040	4.4	2.9	5.5
McLeod	17,943	18,009	15,462	820	534	689	4.4	2.9	4.3
Meeker	8,416	8,637	7,487	627	421	562	6.9	4.6	7.0
Renville	8,490	9,047	8,853	526	416	682	5.8	4.4	7.2
REGION 7E	49,626	50,393	51,235	3,405	2,373	3,754	6.4	4.5	6.8
Chisago	13,820	13,780	13,534	813	565	879	5.6	3.9	6.1
Isanti	11,919	11,884	11,672	629	469	674	5.0	3.8	5.5
Kanabec	5,362	5,565	5,226	511	350	540	8.7	5.9	9.4
Miller Lacs	9,238	9,446	11,726	623	424	696	6.3	4.3	5.6
Pine	9,287	9,718	9,077	829	565	965	8.2	5.5	9.6
REGION 7W	124,248	124,129	119,134	6,504	4,820	6,982	5.0	3.7	5.5
Benton	14,556	14,552	13,855	866	688	927	5.6	4.5	6.3
Sherburne	17,473	17,468	16,632	1,368	1,030	1,156	7.3	5.6	6.5
Stearns	60,664	60,646	57,745	2,679	1,979	3,112	4.2	3.2	5.1
Wright	31,555	31,463	30,902	1,591	1,123	1,787	4.8	3.4	5.5

* Benton, Stearns, and Sherburne counties

Note: Add employment and unemployment to calculate civilian labor force.

Unemployment Rates Lowest Of The 1980s While Employment Rises

November unemployment rates across Central and Northwest Minnesota counties were generally the lowest they have been for this month during the 1980s. In the St. Cloud MSA, for example, the rate dropped from 5.6 percent last November to 5.0 this November. Meanwhile, employment rose from 88,232 to 92,693, a 5.1 percent increase. Over the month, employment held roughly steady in most areas while unemployment rose. Both of these moves were typical for November.

Nonfarm payroll employment in the St. Cloud MSA rose to 74,266 in November, the highest ever. The former high was during October with 74,092 workers. November's level was a gain of 3.1 percent over November 1987's 72,032, and a 0.2 percent rise over the month. Five years ago there were 58,972 nonfarm payroll workers during November in the MSA (a 26% increase since 1983).

Over the year only two industries, construction and government, employed fewer workers. Construction, which was down by 11.7 percent, was the only significant loser.

The fastest gainers over the year were transportation, communication and public utilities (up 11.8%), durable goods manufacturing (up 8.2%), and trade (up 5.8%). Gaining the most workers over the year was retail trade (up 1,069 jobs).

ST. CLOUD MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	Nov. 1988	Oct. 1988	Nov. 1987	MONTH AGO	YEAR AGO
Total Nonagricultural Wage & Salary	74,266	74,094	72,032	0.2	3.1
Total Manufacturing	12,494	12,601	11,857	-0.8	5.4
Durable Goods	7,050	7,190	6,518	-1.9	8.2
Nondurable Goods	5,444	5,411	5,339	0.6	2.0
Total Nonmanufacturing	61,722	61,493	60,175	0.5	2.1
Construction & Mining	3,990	4,130	4,521	-3.4	-11.7
Transp., Comm., & Pub. Utilities	3,725	3,655	3,332	1.9	11.8
Trade	23,030	22,715	21,758	1.4	5.8
Wholesale Trade	3,699	3,695	3,496	0.1	5.8
Retail Trade	19,331	19,020	18,262	1.6	5.9
Finance, Insur., & Real Estate	2,436	2,429	2,363	0.3	3.1
Services	15,235	15,346	14,780	-0.7	3.1
Health Services	5,091	5,117	5,054	-0.4	0.7
Other Services	10,144	10,235	9,726	-0.9	4.3
Government	13,356	13,218	13,421	1.0	-0.5

Between October and November it is normal for the the number of jobs to either drop or rise. This year they rose, with gains in transportation, communication and public utilities, retail trade and government slightly outweighing losses in manufacturing, construction and services.

Predicting a December unemployment rate of about 7.2 percent, the St. Cloud MSA's annual average unemployment rate for 1988 will be about 4.9 percent compared to 1987's 5.1 percent.

Northeast Minnesota



By Ron Daws

In An Atypical Move Between October And November, Duluth's Unemployment Rate Drops And Employment Rises.

Not since 1983 has Duluth's unemployment rate officially dropped between October and November. This year it declined from 5.3 to 5.1 percent. For the whole of St. Louis county, however, the rate jumped from 5.4 to 6.0 percent. It may be that Duluth's apparent low rate is due to spurious splitting of the county's labor force into Duluth's data and the rest of the county's. In any event, neither move signals any substantial departure from the prevailing economy. What is noteworthy is that Duluth's official unemployment rate has hovered around 5 1/4 percent since April. St. Louis county's rate was 6.3 percent in April, fluctuated around 5.3 percent between May and October, and then jumped to 6.0 percent in November.

Duluth's nonfarm payroll employment, which is a better gauge of the labor force, indicates that

employment remained roughly unchanged over the month, and rose slightly (by 0.9%) over the year.

Over the year, small job gains in wholesale trade, health services and government overpowered strong losses in manufacturing (down 6.9%), construction (down 7.8%), and a moderate loss in transportation, communication and public utilities (down 3.9%).

Over the month, employment shifted little. Jobs in durable goods production, finance, insurance and real estate, nonmedical services and government dropped slightly. Roughly offsetting these losses were modest gains in nondurable goods production, construction, trade, and health services.

Given both labor force and industry employment data, it seems clear that the rise in unemployment rates are typical for November, and that Duluth's annual average unemployment rate will be about 5.7 percent compared to last year's 7.1 percent.

Labor Force Data

AREA	EMPLOYMENT			UNEMPLOYMENT			RATE OF UNEMPLOYMENT		
	Nov 1988	Oct 1988	Nov 1987	Nov 1988	Oct 1988	Nov 1987	Nov 1988	Oct 1988	Nov 1987
REGION 3	130,633	130,829	125,143	9,022	7,801	12,190	6.5	5.6	8.9
Aitkin	4,809	4,888	4,923	444	328	547	8.5	6.3	10.0
Carlton	11,693	11,755	11,220	804	703	1,073	6.4	5.6	8.7
Cook	2,290	2,559	2,163	188	153	224	7.6	5.6	9.4
Itasca	16,433	16,556	15,437	1,321	1,110	1,719	7.4	6.3	10.0
Koochiching	7,398	7,517	6,837	536	410	662	6.8	5.2	8.8
Lake	3,826	3,962	2,978	380	341	601	9.0	7.9	16.8
St. Louis	84,184	83,592	81,585	5,349	4,756	7,364	6.0	5.4	8.3
City of Duluth	36,337	36,081	35,215	1,940	2,004	2,494	5.1	5.3	6.6
Balance St. Louis	47,847	47,511	46,370	3,409	2,752	4,870	6.7	5.5	9.5

DULUTH AND DULUTH-SUPERIOR MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	Nov. 1988	Oct. 1988	Nov. 1987	MO. AGO	YR. AGO	Nov. 1988	Oct. 1988	Nov. 1987	MO. AGO	YR. AGO
Total Nonfarm Wage & Salary	44,950	44,887	44,549	0.1	0.9	91,686	91,529	90,879	0.2	0.9
Total Manufacturing	3,806	3,776	4,086	0.8	-6.9	7,817	7,806	7,730	0.1	1.1
Durable Goods	1,443	1,478	1,634	-2.4	-11.7	4,136	4,162	4,083	-0.6	1.3
Nondurable Goods	2,363	2,298	2,452	2.8	-3.6	3,681	3,644	3,647	1.0	0.9
Total Nonmanufacturing	44,144	41,111	40,463	0.1	1.7	83,869	83,723	83,149	0.2	0.9
Construction	1,761	1,688	1,911	4.3	-7.8	3,701	3,846	4,731	-3.8	-21.8
Transp., Com., Pub. Util.	2,839	2,834	2,953	0.2	-3.9	6,065	6,116	5,826	-0.8	4.1
Total Trade	11,475	11,339	11,396	1.2	0.7	22,335	22,059	22,242	1.3	0.4
Wholesale Trade	1,707	1,694	1,628	0.8	4.9	3,624	3,595	3,448	0.8	5.1
Retail Trade	9,768	9,645	9,768	1.3	0.0	18,711	18,464	18,794	1.3	-0.4
Finan., Insur., Real Est.	1,834	1,840	1,830	-0.3	0.2	3,208	3,228	3,133	-0.6	2.4
Services, Mining, & Misc.	12,393	12,467	12,063	-0.6	2.7	25,926	26,209	24,805	-1.1	4.5
Health Services	5,664	5,639	5,369	0.4	5.5	9,159	9,142	8,613	-0.2	6.3
Other Services	5,814	5,856	5,845	-0.7	-0.5	10,388	10,483	10,161	-0.9	2.2
Government	10,642	10,943	10,310	-0.9	5.2	22,634	22,265	22,412	1.7	1.0



By Sue Borgfelt

Labor Force Data

AREA	EMPLOYMENT			UNEMPLOYMENT			RATE OF UNEMPLOYMENT		
	Nov 1988	Oct 1988	Nov 1987	Nov 1988	Oct 1988	Nov 1987	Nov 1988	Oct 1988	Nov 1987
REGION 6W	23,667	24,548	22,521	1,405	900	1,833	5.6	3.5	7.5
Big Stone	2,792	2,949	2,640	157	125	202	5.3	4.1	7.1
Chippewa	6,531	6,784	6,349	475	293	687	6.8	4.1	9.8
Lac Qui Parle	4,078	4,171	3,817	178	126	191	4.2	2.9	4.8
Swift	4,797	4,959	4,428	289	174	392	5.7	3.4	8.1
Yellow Medicine	5,469	5,685	5,287	306	182	361	5.3	3.1	6.4
REGION 8	59,815	61,028	55,195	3,240	2,286	3,190	5.1	3.6	5.5
Cottonwood	6,048	6,089	5,748	361	279	383	5.6	4.4	6.2
Jackson	5,160	5,332	4,572	335	253	450	6.1	4.5	9.0
Lincoln	3,124	3,289	2,990	192	134	158	5.8	3.9	5.0
Lyon	12,396	12,581	11,382	717	497	696	5.5	3.8	5.8
Murray	4,624	4,801	4,224	281	231	249	5.7	4.6	5.6
Nobles	10,741	11,007	9,759	530	244	492	4.7	2.2	4.8
Pipestone	5,497	5,465	5,052	304	297	196	5.2	5.2	3.7
Redwood	7,714	7,850	7,119	322	225	397	4.0	2.8	5.3
Rock	4,511	4,614	4,349	198	126	169	4.2	2.7	3.7
REGION 9	106,450	107,067	101,562	5,162	3,514	5,935	4.6	3.2	5.5
Blue Earth	28,614	28,473	26,885	980	657	1,202	3.3	2.3	4.3
Brown	13,194	13,332	12,866	692	488	681	5.0	3.5	5.0
Faribault	7,633	7,789	7,434	442	322	464	5.5	4.0	5.9
Le Sueur	10,094	10,168	9,334	783	581	899	7.2	5.4	8.8
Martin	10,852	11,087	11,506	570	463	974	5.0	4.0	7.8
Nicollet	14,669	14,597	13,783	542	361	668	3.6	2.4	4.6
Sibley	6,339	6,526	5,817	417	287	392	6.2	4.2	6.3
Waseca	9,049	9,043	8,715	407	229	416	4.3	2.5	4.6
Watonwan	6,006	6,052	5,222	329	126	242	5.2	2.0	4.4
REGION 10	217,147	218,038	206,107	9,511	6,862	10,620	4.2	3.1	4.9
Dodge	7,907	8,032	7,131	410	319	477	4.9	3.8	6.3
Fillmore	9,541	9,829	9,263	467	334	505	4.7	3.3	5.2
Freeborn	17,137	17,107	16,070	786	621	958	4.4	3.5	5.6
Goodhue	19,862	20,109	19,437	873	721	1,070	4.2	3.5	5.2
Houston	9,023	9,352	8,136	335	269	398	3.6	2.8	4.7
Mower	16,519	16,658	16,178	699	547	866	4.1	3.2	5.1
Olmsted	58,666	58,183	56,318	2,226	1,538	2,701	3.7	2.6	4.6
Rice	27,461	27,258	25,192	1,566	985	1,289	5.4	3.5	4.9
Steele	15,633	15,911	15,295	737	450	704	4.5	2.8	4.4
Wabasha	8,307	8,499	7,808	404	322	502	4.6	3.7	6.0
Winona	27,091	27,100	25,279	1,008	756	1,150	3.6	2.7	4.4
Rochester City	36,277	35,978	34,825	1,634	1,185	1,877	4.3	3.2	5.1

Unemployment Rises Seasonally Over The Month

Unemployment rose seasonally over the month in all regions. Employment dropped, with the exception of a few counties including Olmsted and Blue Earth. For all Southern Minnesota counties combined, the unemployment rate went up from 3.2 percent in October to 4.5 percent in November. This was a steeper increase (42%) than last year's October to November gain (4.1% to 5.3%, a 31% increase), but the percentage point differences between months were nearly equal for both years (1.3 and 1.2). The overall unemployment rate was still 0.8 lower than last November.

Nonfarm payroll employment in the Rochester MSA increased 0.6 percent over the month. For the second year in a row, both durable and nondurable goods manufacturing added jobs, whereas in previous years, employment usually declined between October and November. The seasonal surge in department store employment was primarily responsible for retail trade adding the most workers (148) of any major industry group since October. Construction, wholesale trade, and nonmedical services were the only industries to lose jobs and most of these losses were seasonal. Total nonfarm payroll employment posted its largest October to November employment gain since at least 1975, as far back as records date, and reached another all-time high employment level.

Over the year, every major industry group added workers. Medical services and durable goods manufacturing were the big gainers, both in number of jobs and percentage increase. Employment in finance, insurance, and real estate was up by 11.3 percent since last November.

In Olmsted County (or Rochester MSA), assuming a December unemployment rate of approximately 4.6 percent, the 1988 annual average unemployment rate would be approximately 3.0 percent, one percentage point lower than last year's 4.0 percent.

ROCHESTER MSA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	November 1988	October 1988	November 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	60,380	60,009	57,947	0.6	4.2
Total Manufacturing	11,576	11,473	10,875	0.9	6.4
Durable Goods	9,668	9,580	9,017	0.9	7.2
Nondurable Goods	1,908	1,893	1,858	0.8	2.7
Total Nonmanufacturing	48,804	48,536	47,072	0.6	3.7
Construction & Mining	2,039	2,115	2,032	-3.6	0.3
Transp., Comm., & Public Util.	1,716	1,707	1,706	0.5	0.6
Total Trade	11,946	11,806	11,619	1.2	2.8
Wholesale Trade	1,298	1,306	1,252	-0.6	3.7
Retail Trade	10,648	10,500	10,367	1.4	2.7
Finan., Insur., & Real Estate	1,683	1,653	1,512	1.8	11.3
Total Services	25,146	25,070	24,063	0.3	4.5
Health Services	17,882	17,789	16,942	0.5	5.5
Other Services	7,264	7,281	7,121	-0.2	2.0
Government	6,274	6,185	6,140	1.4	2.2

MINNESOTA LABOR MARKET REVIEW



MINNESOTA DEPARTMENT OF
Jobs and Training

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Selected Minnesota Program Statistics

Distribution of Insured Unemployed by Industry and Occupation, November, 1988					Distribution of Insured Unemployed, by Age and Sex, November, 1988				
Industry Attachment	Number	Percent of Total	Percent* Long-Term Unemployed	Women as Percent of Total	Age Groups	Number	Percent Distribution		
							Men of Totals	Men of Men	Women of Women
TOTAL, ALL INDUSTRIES	25,851	100.0	17.6	33.6	TOTALS	25,851	66.3	100.0	100.0
Ag., For., Fish.	583	2.3	6.6	21.2	Under 45	19,239	67.2	75.3	72.6
Mining	167	0.6	2.5	5.6	Under 25	2,889	69.3	11.7	10.2
Construction	5,314	20.6	6.5	5.0	25-34	9,721	67.3	38.1	36.5
Manufacturing	6,265	24.2	17.0	33.5	35-44	6,629	66.0	25.5	25.9
Public Utilities	1,098	4.2	18.1	24.0	45 and over	6,612	64.0	24.7	27.4
Wholesale Trade	1,986	7.7	25.8	32.9	45-54	3,949	63.9	14.7	16.4
Retail Trade	2,760	10.7	23.9	45.1	55 and over	2,663	64.1	10.0	11.0
Fin., Ins., Re. Est.	1,128	4.4	28.7	59.7					
Services	4,845	18.7	25.1	56.5					
Public Admin.	726	2.8	10.7	45.5					
Info. Not Available	979	3.8	10.7	32.5					
					Experienced Supply/Job Openings Demand **/				
Occupational Attachment					Applicants (Supply)	Job Openings (Demand)	Supply/Demand Ratio		
					Nov. 1988	Nov. 1988	Nov. 1988	Nov. 1987	
TOTAL, ALL OCCUPATIONS	25,851	100.0	17.6	33.6	62,729	22,542	2.8	3.3	
Prof., Tech., Mgr.	5,420	21.0	29.2	41.6	11,420	2,099	5.4	6.6	
Clerical	3,244	12.6	25.4	82.0	11,702	3,965	3.0	3.0	
Sales	1,223	4.7	25.6	33.8	3,891	2,831	1.4	1.4	
Services	1,890	7.3	19.5	58.3	7,226	7,133	1.0	1.6	
Farm, For., Fish.	627	2.4	4.5	20.3	1,350	303	4.5	10.8	
Processing	832	3.2	9.3	37.9	1,135	1,103	1.0	1.8	
Machine Trades	1,532	5.9	17.1	17.4	4,012	847	4.7	5.8	
Benchwork	1,842	7.1	17.6	50.0	4,074	1,457	2.8	5.4	
Structural Work	5,879	22.7	6.4	3.0	8,789	944	9.3	8.6	
Misc., and INA	3,362	13.1	12.0	13.6	9,130	1,860	4.9	4.0	

* Long-term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

** Inexperienced and improperly coded job applicants are not included in this table.

MINNESOTA Labor Market Review

January 1989 Supplement

Nation



Jobless Rate Dips Back To 14-Year Low; Payroll Employment Growth Still Strong In December After Huge Gain In November

The seasonally adjusted unemployment rate dropped back to 5.3 percent in December, the lowest since the 5.1 percent in May 1974. December's rate marked the third time this year that the rate has been at 5.3 percent. For all 1988, the rate averaged 5.5 percent, down from an average of 6.2 percent in 1987. Meanwhile, seasonally adjusted nonfarm payroll employment rose by 297,000 in December after a surge of 404,000 in November. Over four-fifths of the December increase in payroll jobs was in the service-producing industries. Factory employment climbed by 34,000 in December, half of November's gain. However, manufacturing has shown considerable strength in recent months.

Most Other Indicators Showed Favorably In December

Except for housing starts which fell slightly in December and retail sales which appeared to rise very little, other barometers indicated that economy was still strong. Industrial production continued to increase at a satisfactory pace while personal income and spending both rose at a relatively healthy rate.

State



By Ben Boyle

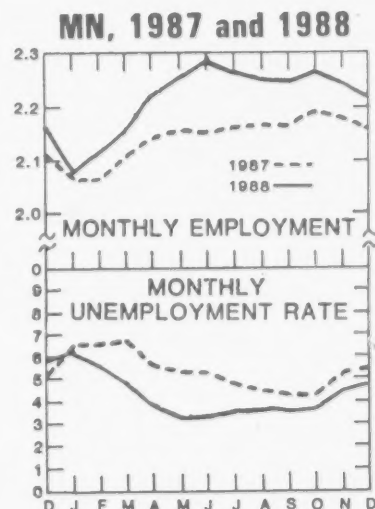
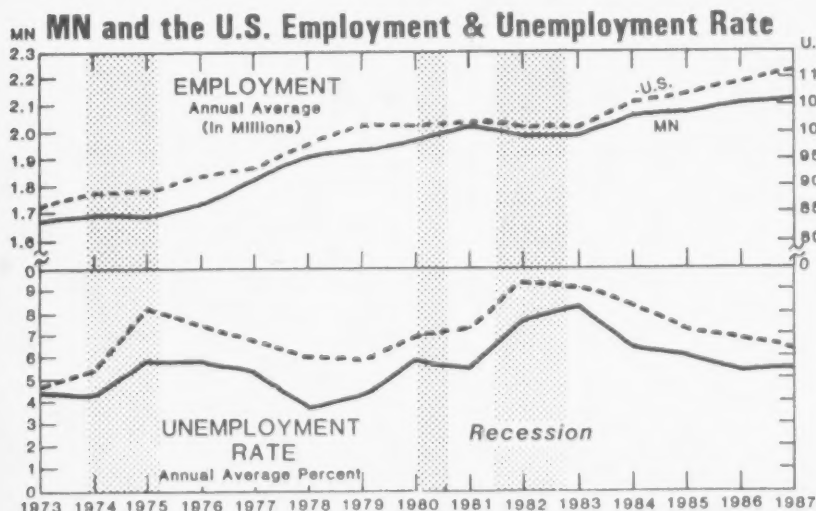
Small Rise In Unemployment Rate Is Less Than Normal But Gain In Nonfarm Employment Is Below Earlier Months

Minnesota's seasonally unadjusted unemployment rate rose only 0.2 of a percentage point to 4.7 percent in December. The rate usually increases about 0.9 of a point between November and December. In December 1987 the rate was 5.9 percent.

Seasonally adjusted nonfarm payroll employment rose 5,062 in December after gains of 7,744 in November and 10,523 in October. Employment growth in durable goods manufacturing and retail trade slowed significantly in December while employment in construction and finance, insurance and real estate fell during the same period. On the hand, employment in local education, business services and metal mining rose considerably more than in November. Since December 1987, total nonfarm payroll employment has increased by 60,242. A little more than two-thirds of the over-the-year growth was in trade and the services industry, with each adding about 21,500 jobs. Manufacturing accounted for nearly one-fifth of the total increase from a year ago.

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	December 1988	Change From		December 1988	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,326.7	-24.3	29.0	122.1	-0.5	1.9
Employed	2,218.7	-27.9	53.8	116.0	-0.3	2.3
Unemployed	110.0	3.6	-24.8	6.1	-0.2	-0.4
Unemployment Rate						
Actual	4.7	0.2	-1.2	5.0	-0.2	-0.4
Seasonally Adjusted	n.a.	n.a.	n.a.	5.3	-0.1	-0.5

* Components may not add to Civilian Labor Force due to rounding



Minnesota Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
	Dec. 1988	Nov. 1988	Dec. 1987	Nov. 1988	Dec. 1987	Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
						Dec. 1988	Dec. 1987	Dec. 1988	Dec. 1987	Dec. 1988	Dec. 1987
Total Nonagricultural	2059.0	2066.5	1997.9	-0.4	3.1	-	-	-	-	-	-
Manufacturing	391.0	391.6	379.2	-0.2	3.1	441.32	433.47	10.66	10.42	41.4	41.6
Durable Goods	233.7	234.0	225.7	-0.1	3.6	460.82	455.82	10.92	10.70	42.2	42.6
Lumber and Furniture	22.4	22.9	21.3	-2.1	5.5	445.56	447.23	11.85	11.38	37.6	39.3
Stone, Clay and Glass	8.4	9.1	8.0	-7.5	5.1	449.77	404.09	10.97	10.23	41.0	39.5
Primary Metals	7.3	7.2	6.7	1.1	9.2	415.94	440.80	9.81	9.50	42.4	46.4
Fabricated Metals	33.3	33.4	34.0	-0.3	-2.2	524.36	528.32	12.28	11.98	42.7	44.1
Nonelectrical Machinery	81.8	81.6	79.9	0.2	2.4	501.42	488.57	11.37	11.18	44.1	43.7
Office and Computing	38.3	38.5	38.9	-0.4	-1.5	498.62	524.61	11.65	12.06	42.8	43.5
Electrical Machinery	31.3	30.9	29.3	1.4	6.9	372.67	368.94	8.98	8.62	41.5	42.8
Transportation Equipment	10.8	10.7	10.3	0.9	4.3	536.81	546.84	11.85	12.40	45.3	44.1
Scientific Instruments	31.9	31.7	30.6	0.5	4.4	432.43	421.67	10.37	10.21	41.7	41.3
Misc. Manufacturing	6.5	6.5	5.6	1.1	16.2	438.35	417.90	9.94	9.95	44.1	42.0
Non durable Goods	157.2	157.6	153.6	-0.3	2.4	417.33	404.01	10.33	10.05	40.4	40.2
Food and Kindred	44.7	45.2	44.8	-1.1	-0.3	397.61	369.15	9.29	8.96	42.8	41.2
Textiles and Apparel	4.9	4.9	4.8	0.0	3.2	281.39	272.25	7.29	7.26	38.6	37.5
Paper and Allied	32.9	32.9	32.3	-0.2	1.7	503.78	513.85	12.11	11.95	41.6	43.0
Printing and Publishing	47.8	47.7	45.7	0.3	4.6	409.16	390.66	10.94	10.53	37.4	37.1
Chemicals and Petroleum	10.8	10.9	10.7	-1.1	1.0	469.56	484.45	12.04	11.73	39.0	41.3
Rubber, Plastic & Leather	16.1	16.0	15.3	0.9	5.6	373.63	355.06	9.18	8.66	40.7	41.0
Nonmanufacturing	1668.0	1674.8	1618.7	-0.4	3.0	-	-	-	-	-	-
Mining	6.8	7.2	6.1	-5.4	11.1	579.86	571.12	13.33	12.98	43.5	44.0
Metal Mining	5.3	5.3	4.7	1.1	13.0	599.71	619.22	13.85	13.73	43.3	45.1
Construction	73.5	82.8	78.6	-11.2	-6.4	599.78	603.99	16.08	15.77	37.3	38.3
Transp., Comm., Pub. Util.	104.3	104.4	102.6	0.0	1.7	-	-	-	-	-	-
Transportation	69.7	69.5	68.2	0.2	2.1	-	-	-	-	-	-
Trucking & Warehousing	26.9	26.6	27.2	0.9	-1.2	395.59	425.60	12.72	12.23	31.1	34.8
Comm. & Public Util.	34.6	34.8	34.4	-0.5	0.7	572.97	570.57	14.96	14.63	38.3	39.0
Trade	523.1	518.2	502.2	1.0	4.2	230.10	230.18	7.80	7.75	29.5	29.7
Wholesale	126.6	126.4	122.2	0.2	3.6	413.32	417.10	10.68	10.75	38.7	38.8
Retail	396.5	391.8	380.0	1.2	4.3	178.08	177.23	6.62	6.54	26.9	27.1
Building Materials	17.8	17.9	17.3	-0.8	2.5	323.27	337.06	8.69	8.87	37.2	38.0
General Merchandise	63.7	62.0	60.4	2.7	5.4	169.65	155.32	6.50	6.02	26.1	25.8
Food Stores	53.6	52.7	51.0	1.7	5.1	184.65	197.22	6.89	7.12	26.8	27.7
Automotive	41.7	41.6	40.1	0.3	4.1	297.39	307.82	8.62	8.72	34.5	35.3
Apparel	21.3	20.6	21.0	3.4	1.2	123.48	127.15	5.21	5.32	23.7	23.9
Home Furnishings	18.6	18.3	17.1	1.8	8.8	248.00	252.20	7.75	7.76	32.0	32.5
Eating and Drinking	127.6	127.9	122.0	-0.3	4.6	113.00	105.28	5.00	4.70	22.6	22.4
Fin., Insur., Real Estate	123.1	123.1	121.5	0.0	1.3	-	-	-	-	-	-
Finance	56.6	56.4	56.4	0.4	0.3	-	-	-	-	-	-
Insurance	45.6	45.7	44.9	-0.3	1.6	-	-	-	-	-	-
Real Estate	20.9	20.9	20.2	-0.2	3.5	-	-	-	-	-	-
Services	505.6	504.7	485.2	0.2	4.2	^{1/} Totals may not add because of rounding. ^{2/} Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Personal Services	26.9	26.7	25.5	0.7	5.2						
Business Services	103.6	103.3	95.0	0.3	9.1						
Repair Services	21.7	21.6	20.1	0.8	7.9						
Health Services	154.9	154.9	151.3	0.0	2.4						
Hospitals	53.2	53.0	51.8	0.2	2.5						
Nursing Homes	41.1	41.3	41.5	-0.5	-0.9						
Legal Services	15.1	15.0	14.5	0.5	4.0						
Private Education	27.8	27.9	27.2	-0.4	2.4						
Government	331.5	334.5	322.5	-0.9	2.8						
Federal	34.2	34.0	33.5	0.7	2.1						
State	81.9	83.9	79.7	-2.4	2.8						
Education	44.8	46.8	43.9	-4.3	1.9						
Local	215.3	216.6	209.2	-0.6	2.9						
Education	118.9	119.4	114.5	-0.4	3.8						

Analysis of Local Conditions

Minneapolis-St. Paul MSA

By Kevin Alaspa

Twin Cities Unemployment Rate Drops In December

The unemployment rate in the metropolitan area declined by one-tenth of a percent in December, from 3.9 to 3.8 percent. Normally, the rate rises 0.3 to 0.5 percent between November and December. While both the labor force and employment declined slightly due to seasonal factors, the decline was less than usual. This is the first time in the 1980's the December unemployment rate dropped.

Employment In Most Industries Changes Little

Total wage and salary employment decreased slightly, by 1,600 jobs. Manufacturing employment was virtually unchanged. Retail trade gained 4,000 jobs as stores added employees for the holiday shopping season. Construction employment was down by 4,000, normal for December. Employment in health services dropped by about 500; state and local education declined by a modest 1,200 workers.

In 1988, total wage and salary employment in the metro area grew by 34,350 or 2.7 percent. Manufacturing employment increased by 7,100 jobs,

while nonmanufacturing grew by 27,200 positions. Almost four out of five new jobs added in the metro area were in nonmanufacturing industries, with retail trade and services responsible for significant gains.

While unemployment may rise slightly during the winter, total employment shouldn't drop much. The inherent strength of the Twin Cities economy will keep employment levels strong through the next few months.

Exceptionally low unemployment is a reflection of the tightening labor market in the Twin Cities. Shortages of workers have become commonplace in many industries and occupations, particularly retail trade and service jobs. Also, skilled occupations are experiencing a dearth of qualified applicants. This situation is likely to persist as the number of new entrants to the labor force declines due to the low birthrates fifteen to twenty years ago. Even entry and low paying occupations are getting harder to fill, and will remain so into the next decade.

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	Dec 1988	Nov 1988	Dec 1987	Dec 1988	Nov 1988	Dec 1987	Dec 1988	Nov 1988	Dec 1987
Mpls-St. Paul MSA	1,332,693	1,344,084	1,314,235	52,119	55,251	63,024	3.8	3.9	4.6
REGION 11	1,250,912	1,261,688	1,234,412	46,604	51,298	56,071	3.6	3.9	4.3
Anoka	125,339	126,418	123,685	5,543	5,925	6,370	4.2	4.5	4.9
Carver	22,988	23,186	22,685	1,040	929	1,077	4.3	3.9	4.5
Dakota	131,825	132,961	130,086	5,812	5,817	6,407	4.2	4.2	4.7
Hennepin	601,832	607,017	593,894	20,076	23,665	24,462	3.2	3.8	4.0
Ramsey	272,005	274,348	268,417	9,524	10,734	12,258	3.4	3.8	4.4
Scott	27,044	27,277	26,687	1,718	1,528	2,022	6.0	5.3	7.0
Washington	69,879	70,481	68,958	2,891	2,700	3,475	4.0	3.7	4.8
Chisago	13,704	13,822	13,523	1,079	812	1,398	7.3	5.5	9.4
Isanti	11,818	11,920	11,662	795	629	981	6.3	5.0	7.8
Wright	31,287	31,558	30,876	2,401	1,587	2,831	7.1	4.8	8.4
St. Croix Wi	24,972	25,096	23,762	1,240	925	1,743	4.7	3.6	6.8
Bloomington	56,723	57,212	55,975	1,843	2,199	2,200	3.1	3.7	3.8
Minneapolis	209,838	211,646	207,070	7,866	9,485	9,394	3.6	4.3	4.3
St. Paul	144,403	145,647	142,498	5,824	6,710	7,752	3.9	4.4	5.2

Mpls.-St. Paul Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
	Dec. 1988	Nov. 1988	Dec. 1987	Nov. 1988	Dec. 1987	Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
						Dec. 1988	Dec. 1987	Dec. 1988	Dec. 1987	Dec. 1988	Dec. 1987
Total Nonagricultural	1334.5	1336.1	1310.0	-0.1	1.9	-	-	-	-	-	-
Manufacturing	261.6	261.6	257.1	0.0	1.7	470.08	460.24	11.37	11.09	41.6	41.5
Durable Goods	164.1	163.7	160.7	-0.2	2.1	483.94	476.53	11.36	11.16	42.6	42.7
Lumber and Furniture	9.1	9.4	9.1	-3.7	0.0	477.98	467.15	12.48	12.04	38.3	38.8
Stone, Clay and Glass	3.6	3.7	3.2	-2.6	14.3	497.75	411.20	12.29	10.41	40.5	39.5
Primary Metals	5.2	5.1	4.8	0.5	6.5	409.81	432.80	9.62	9.15	42.6	47.3
Fabricated Metals	25.7	25.7	26.3	-0.2	-2.5	540.56	550.95	12.84	12.55	42.1	43.9
Nonelectrical Machinery	64.4	64.0	62.9	0.6	2.3	512.88	505.29	11.63	11.51	44.1	43.9
Office and Computing	31.1	31.1	31.8	0.1	-2.0	466.91	498.19	11.17	11.64	41.8	42.8
Electrical Machinery	17.0	16.9	16.9	0.5	0.7	372.19	355.77	9.10	8.85	40.9	40.2
Transportation Equipment	6.0	5.9	5.7	1.2	4.7	745.84	741.51	14.74	15.71	50.6	47.2
Scientific Instruments	29.7	29.5	28.3	0.9	4.9	441.84	429.27	10.52	10.47	42.0	41.0
Misc. Manufacturing	3.5	3.5	3.5	0.8	0.4	483.23	417.30	11.16	9.75	43.3	42.8
Nondurable Goods	97.5	97.9	96.3	-0.4	1.2	451.04	435.51	11.22	10.97	40.2	39.7
Food and Kindred	18.0	18.2	18.1	-1.0	-0.5	527.35	473.41	11.59	11.38	45.5	41.6
Textiles and Apparel	2.1	2.2	2.0	-4.5	6.1	253.45	239.55	7.18	6.71	35.3	35.7
Paper and Allied	24.9	25.0	25.0	-0.6	-0.4	467.53	482.14	11.63	11.59	40.2	41.6
Printing and Publishing	32.4	32.3	31.7	0.3	2.5	413.11	390.77	10.90	10.59	37.9	36.9
Chemicals and Petroleum	9.1	9.3	9.0	-2.1	1.3	525.54	498.81	13.51	12.79	38.9	39.0
Rubber, Plastic & Leather	10.9	10.8	10.6	1.1	3.0	400.60	417.78	10.04	9.83	39.9	42.5
Nonmanufacturing	1072.9	1074.4	1053.0	-0.1	1.9	-	-	-	-	-	-
Mining	0.5	0.6	0.5	-16.8	-2.9	388.09	208.78	12.09	8.03	32.1	26.0
Construction	52.8	56.8	52.2	-7.1	1.2	634.28	638.45	17.33	16.98	36.6	37.6
Transp., Comm., Pub. Util.	72.5	72.3	72.0	0.4	0.7	-	-	-	-	-	-
Transportation	49.5	49.3	49.3	0.4	0.5	-	-	-	-	-	-
Trucking & Warehousing	16.1	15.8	16.9	1.6	-4.8	413.40	406.22	13.00	13.02	31.8	31.2
Comm. & Public Util.	23.0	23.0	22.7	0.4	1.4	565.35	554.33	14.70	14.25	38.5	38.9
Trade	333.9	329.8	328.0	1.3	1.8	256.58	254.75	8.61	8.38	29.8	30.4
Wholesale	86.7	86.5	85.7	0.2	1.2	450.04	448.27	11.51	11.32	39.1	39.6
Retail	247.2	243.2	242.3	1.6	2.0	197.91	195.68	7.33	7.09	27.0	27.6
Building Materials	10.8	10.9	10.5	-0.6	3.2	386.40	346.90	10.50	9.69	36.8	35.8
General Merchandise	43.5	42.3	43.2	2.7	0.5	178.58	163.94	6.79	6.21	26.3	26.4
Food Stores	29.4	28.6	28.1	2.6	4.4	223.81	240.74	8.32	8.33	26.9	26.9
Automotive	23.9	23.9	23.5	0.1	1.6	362.23	384.54	9.79	9.86	37.0	39.0
Apparel	13.9	13.5	13.9	2.7	0.1	115.63	125.10	5.28	5.56	21.9	22.5
Home Furnishings	12.4	12.0	12.0	2.8	3.5	254.72	235.42	7.96	7.45	32.0	31.6
Eating and Drinking	80.0	79.7	78.3	0.3	2.1	128.36	119.70	5.63	5.25	22.8	22.8
Fin., Insur., Real Estate	96.5	96.6	95.0	-0.1	1.7	-	-	-	-	-	-
Finance	41.6	41.5	41.0	0.1	1.4	-	-	-	-	-	-
Insurance	38.3	38.4	37.6	-0.3	1.9	-	-	-	-	-	-
Real Estate	16.7	16.7	16.4	-0.1	1.7	-	-	-	-	-	-
Services	336.6	337.1	329.1	-0.2	2.3	^{1/} Totals may not add because of rounding. ^{2/} Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Personal Services	18.5	18.5	17.9	0.4	3.8						
Business Services	83.4	83.5	81.4	-0.2	2.4						
Repair Services	15.4	15.4	15.0	-0.1	2.9						
Health Services	86.3	86.3	86.1	0.0	0.3						
Hospitals	30.8	30.6	31.1	0.7	-0.9						
Nursing Homes	21.8	21.9	22.5	-0.4	-3.1						
Legal Services	11.9	11.9	11.5	0.1	4.1						
Private Education	16.1	16.2	16.5	-0.3	-2.4						
Government	180.0	181.2	176.2	-0.7	2.2						
Federal	20.9	20.8	20.5	0.4	1.8						
State	54.9	55.4	53.9	-0.9	1.8						
Education	30.2	31.0	30.0	-2.5	0.9						
Local	104.3	105.0	101.8	-0.7	2.4						
Education	57.3	57.7	55.2	-0.6	3.9						

Central and Northwest Minnesota



By Ron Daws

Central And Northwest Minnesota Finish Out 1988 On A Strong Economic Note

Now that all of the 1988 unemployment and employment data is in, it looks as though it was an economically robust year. Jobs increased and unemployment declined all across Central and Northwest Minnesota. In the St. Cloud MSA, for example, the annual average unemployment rate dropped from 6.1 percent in 1987 to 4.9 percent in 1988. On average, employment increased by about 5,200 from 1987 to 1988, a 6.1 percent increase.

In January 1988, there were 4,455 more jobs in the MSA than there were during January 1987. The increase over comparable months the year before declined steadily until by December the difference had been whittled to 3,623, still a strong increase. Whether this gap will shrink further in 1989 will bear watching in the months to come.

Between November and December the labor force changed normally: employment dropped slightly (from 92,818 to 92,028), and unemployment rose (from 4.917 or 5.0% to 7.019 or 7.1%). Although total employment in the MSA dropped slightly over the month, nonfarm payroll jobs increased. They rose from 74,456 to 74,643 owing mainly to the two percent increase in retail trade jobs. Given that this is an industry approaching 20,000 workers, this amounted to about 400 jobs. That increase, plus small ones in nondurable goods production, government, finance, insurance and real estate, helped overcome a 10 percent drop in construction and mining jobs, and a one percent cut in nonmedical services jobs.

Compared with last December, nonfarm payroll employment in the St. Cloud MSA was up 3.1 percent with every major industry contributing except construction, mining and government. Strong over-the-year gains were posted in transportation, communication and public utilities, retail and wholesale trade, and nonmedical services.

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	Dec. 1988	Nov. 1988	Dec. 1987	Dec. 1988	Nov. 1988	Dec. 1987	Dec. 1988	Nov. 1988	Dec. 1987
St. Cloud MSA	92,028	92,818	86,405	7,019	4,917	7,268	7.1	5.0	7.8
REGION 1	39,115	40,587	38,248	3,878	2,754	4,614	9.0	6.4	10.8
Kittson	2,250	2,329	2,332	228	163	323	9.2	6.5	12.2
Marshall	4,262	4,465	4,075	779	513	896	14.5	10.3	18.0
Norman	3,260	3,517	3,202	275	205	364	7.7	6.0	10.0
Pennington	6,094	6,401	5,889	540	316	676	8.1	4.7	10.3
Polk	13,564	14,024	13,454	1,008	566	1,304	7.3	6.4	9.2
Red Lake	1,203	1,359	1,317	295	189	336	18.5	12.2	19.2
Roseau	8,342	8,492	7,844	745	382	655	8.2	4.3	7.7
REGION 2	28,863	29,249	27,300	2,429	1,995	3,161	7.8	6.4	10.4
Beltrami	15,460	15,624	14,733	940	880	1,252	5.7	5.3	7.8
Clearwater	3,074	3,079	2,938	583	294	722	15.4	11.3	19.2
Hubbard	6,323	6,531	5,640	615	463	755	8.9	6.6	11.9
Lake of the Woods	1,830	1,714	1,626	79	17	149	4.1	4.8	8.4
Mahnomen	2,176	2,301	2,163	212	102	273	8.9	7.0	11.2
REGION 4	91,744	93,788	89,816	5,933	4,978	7,478	6.1	5.0	7.3
Becker	12,143	12,412	13,129	1,321	911	1,435	5.8	6.8	9.9
Clay	25,071	25,466	24,563	1,040	852	1,497	4.0	3.2	5.7
Douglas	14,052	14,150	13,580	769	761	1,067	5.2	5.1	7.1
Grant	2,697	2,814	2,614	205	165	244	7.1	5.8	8.5
Otter Tail	23,489	24,067	21,985	1,827	1,548	2,103	7.2	6.0	9.0
Pope	4,295	4,487	4,011	294	261	396	6.4	5.9	9.0
Stevens	4,930	5,102	4,668	294	236	295	4.0	4.4	5.9
Traverse	1,953	2,036	1,855	107	82	154	5.2	3.9	7.3
Wilkin	3,114	3,254	3,001	166	142	212	5.1	4.2	6.4
REGION 5	54,806	55,870	50,921	4,718	4,310	6,034	7.9	7.2	10.6
Cass	7,226	7,429	6,876	893	814	1,140	11.0	9.9	14.2
Crow Wing	20,120	20,202	18,528	1,450	1,441	1,830	6.7	6.7	9.0
Morrison	13,071	13,411	11,714	1,244	1,055	1,489	8.7	7.3	11.3
Todd	9,728	10,072	9,324	799	699	1,154	7.6	6.5	11.0
Wadena	4,661	4,756	4,479	332	301	421	6.6	6.0	8.6
REGION 6E	53,007	53,949	49,443	4,004	2,845	3,785	7.0	5.0	7.1
Kandiyohi	18,799	19,124	17,642	1,620	872	1,346	8.6	4.4	7.1
McLeod	17,829	17,930	15,500	800	820	704	4.3	4.4	4.6
Meeker	8,183	8,410	7,362	771	627	830	8.6	6.9	10.1
Renville	8,196	8,485	8,869	613	526	825	7.0	5.8	8.5
REGION 7E	48,682	49,611	47,379	4,199	3,403	5,240	7.8	6.4	10.0
Chisago	13,704	13,822	13,523	1,079	812	1,398	7.3	5.5	8.4
Isanti	11,818	11,920	11,662	795	629	981	6.3	5.0	7.8
Kanabec	5,162	5,358	5,168	579	511	777	10.1	8.7	12.3
Wille Lacs	9,035	9,231	8,243	718	623	842	7.4	6.3	9.3
Pine	8,963	9,280	8,783	988	828	1,292	9.9	8.2	12.4
REGION 7W	123,315	124,378	119,281	9,420	6,504	10,119	7.3	5.0	7.8
Benton	14,451	14,575	13,883	1,189	866	1,307	7.6	5.6	8.8
Sherburne	17,347	17,496	16,664	1,775	1,370	1,834	9.8	7.3	9.9
Stearns	60,230	60,747	57,858	4,055	2,681	4,347	6.3	4.2	7.0
Wright	31,287	31,556	30,876	2,401	1,587	2,831	7.1	4.8	8.4

ST. CLOUD MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	Dec. 1988	Nov. 1988	Dec. 1987	MONTH AGO	YEAR AGO
Total Nonagricultural Wage & Salary	74,643	74,456	72,427	0.3	3.1
Total Manufacturing	12,654	12,579	12,240	0.6	3.2
Durable Goods	7,118	7,124	6,878	-0.1	3.5
Nondurable Goods	5,536	5,455	5,362	1.5	2.9
Total Nonmanufacturing	61,989	61,877	60,187	0.2	3.0
Construction & Mining	3,590	3,990	4,200	-10.0	-14.5
Transp., Comm., & Pub. Utilities	3,732	3,757	3,796	-0.7	9.8
Trade	23,640	23,708	22,203	1.9	6.5
Wholesale Trade	3,736	3,699	3,448	1.0	8.4
Retail Trade	19,904	19,509	18,755	2.0	6.1
Finance, Insur., & Real Estate	2,464	2,429	2,382	1.4	3.4
Services	15,205	15,255	14,578	-0.3	4.3
Health Services	5,151	5,101	5,073	1.0	1.5
Other Services	10,054	10,154	9,505	-1.0	5.8
Government	13,358	13,238	13,408	0.9	-0.4

Northeast Minnesota



By Ron Daws

Duluth's Unemployment Drops Four Out Of The Last Five Years While Employment Continues To Rise
Unemployment has been dropping all across Northeast Minnesota while employment has been creeping upward. In 1983 Duluth's unemployment rate was 13.6 percent. The rate dropped to 10.3 in 1984, to 7.2 in 1985, to 6.0 in 1986, climbed to 7.1 in 1987, and dropped again to 5.7 in 1988 to reach the lowest annual average rate of the 1980s (as far back as Duluth's labor force records go).

In an unusual move, Duluth's December unemployment rate even fell slightly from November's, from 5.1 to 5.0 percent. Given the nature of the estimating methodology (considerable random sampling error plus other estimating difficulties), the unemployment rate actually could have risen or dropped slightly over the month. It seems encouraging, nevertheless, that the rate has remained between 5.0 and 5.5 percent since April.

Duluth's labor force data also suggests that total employment rose by about three percent, on average,

between 1987 and 1988. With 35,792 jobs in 1988, Duluth reached its highest employment level since 1981 when it totaled 38,875. (The 1981-82 recession cost Duluth at least 10,000 jobs).

Between November and December, total employment (which is counted by place of residence) dropped from 36,364 to 35,525 (down 1.3%). Nonfarm payroll employment (counted by place of work and therefore much higher owing to in-commuting) dropped from 44,997 in November to 44,582 in December (down 0.9%). Over the month, construction dropped seasonally by 18.8 percent, and except for the 3.2 percent decline in wholesale employment, there were few significant employment shifts.

Between December 1987 and December 1988, manufacturing dropped 7.2 percent and construction fell 15.4 percent. The fastest job gaining industries over the year in Duluth were health services (up 5.3%), government (up 4.5%), and services, mining and miscellaneous (up 3.2%).

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	Dec 1988	Nov 1988	Dec 1987	Dec 1988	Nov 1988	Dec 1987	Dec 1988	Nov 1988	Dec 1987
REGION 3	128,154	130,661	124,403	9,055	9,013	13,597	6.6	6.5	9.9
Aitkin	4,685	4,805	4,674	592	444	736	11.2	8.5	13.1
Carlton	11,531	11,684	11,127	848	803	1,248	6.9	6.4	10.1
Cook	2,334	2,288	2,215	183	188	258	7.3	7.6	10.4
Itasca	16,290	16,420	15,360	1,306	1,320	1,887	7.4	7.4	10.9
Koochiching	7,271	7,393	6,731	498	536	665	6.4	6.8	9.0
Lake	3,740	3,824	2,946	366	380	647	8.9	9.0	18.0
St. Louis	82,303	84,247	81,150	5,262	5,342	8,156	6.0	6.0	9.1
City of Duluth	35,525	36,364	35,027	1,856	1,939	2,647	5.0	5.1	7.0
Balance St. Louis	46,778	47,883	46,123	3,406	3,403	5,509	6.8	6.6	10.7

DULUTH AND DULUTH-SUPERIOR MSA NONFARM WAGE & SALARY EMPLOYMENT										
INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	Dec. 1988	Nov. 1988	Dec. 1987	MO. AGO	YR. AGO	Dec. 1988	Nov. 1988	Dec. 1987	MO. AGO	YR. AGO
Total Nonfarm Wage & Salary	44,582	44,997	44,255	-0.9	0.7	90,661	91,826	89,367	-1.3	1.4
Total Manufacturing	3,782	3,800	4,077	-0.5	-7.2	7,672	7,793	7,712	-1.6	-0.5
Durable Goods	1,463	1,453	1,431	-0.7	-10.3	4,032	4,126	4,057	-2.3	-0.6
Nondurable Goods	2,319	2,347	2,646	-1.2	-5.2	3,640	3,667	3,655	-0.7	-0.4
Total Nonmanufacturing	40,801	41,197	40,178	-1.0	1.6	82,989	84,035	81,655	-1.2	1.6
Construction	1,450	1,786	1,714	-18.8	-35.4	3,058	3,854	3,895	-20.7	-17.2
Transp., Com., Pub. Util.	2,781	2,839	2,852	-2.0	-2.1	5,946	6,126	5,739	-2.9	3.6
Total Trade	11,525	11,491	11,374	0.3	1.3	22,268	22,229	22,257	0.2	0.0
Wholesale Trade	1,639	1,694	1,608	-3.2	1.9	3,514	3,573	3,457	-1.7	1.6
Retail Trade	9,886	9,797	9,766	0.9	1.2	18,754	18,655	18,800	0.5	-0.2
Finan., Insur., Real Est.	1,825	1,871	1,883	-0.2	-2.0	3,224	3,210	3,189	0.4	1.1
Services, Mining, & Misc.	12,432	12,409	12,052	0.2	3.2	25,977	25,995	24,539	-0.1	5.8
Health Services	5,673	5,664	5,395	0.2	5.3	9,181	9,163	8,640	0.2	6.3
Other Services	5,821	5,830	5,794	-0.2	0.6	10,342	10,388	10,068	-0.4	2.7
Government	10,788	10,841	10,323	-0.5	4.5	22,518	22,622	22,216	-0.5	1.4

Southern Minnesota



By Sue Borgfelt

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	Dec 1988	Nov 1988	Dec 1987	Dec 1988	Nov 1988	Dec 1987	Dec 1988	Nov 1988	Dec 1987
REGION 6A	23,013	23,065	22,155	1,705	1,404	2,012	6.9	5.6	8.3
Big Stone	2,697	2,790	2,893	169	157	229	5.9	5.3	8.1
Chippewa	6,419	6,526	6,304	561	474	616	8.0	6.8	8.9
Lac Qui Parle	3,973	4,075	3,820	201	178	224	4.8	4.2	5.6
Swift	4,653	4,794	4,373	426	289	450	8.4	5.7	9.3
Yellow Medicine	5,271	5,485	5,065	348	306	493	6.2	5.3	8.9
REGION 8	58,359	59,769	54,830	3,540	3,241	3,967	5.7	5.1	6.7
Cottonwood	5,944	6,043	5,785	365	361	413	5.8	5.6	6.7
Jackson	5,031	5,156	4,842	322	336	482	6.0	6.1	9.4
Lincoln	3,032	3,121	2,905	236	192	230	7.2	5.8	7.2
Lyon	12,093	12,387	11,174	911	717	903	7.0	5.5	7.5
Murray	4,361	4,621	4,158	346	281	432	7.4	5.7	9.4
Nobles	10,640	10,732	9,692	494	530	558	4.4	4.7	5.4
Pipestone	5,417	5,493	4,985	329	304	227	5.7	5.2	4.4
Redwood	7,415	7,708	7,064	380	322	507	4.9	4.0	6.7
Rock	4,406	4,508	4,393	157	198	215	3.4	4.2	4.7
REGION 9	104,512	106,369	101,099	5,180	5,162	6,843	4.7	4.6	6.3
Blue Earth	29,241	29,542	28,729	1,019	960	1,347	3.5	3.3	4.8
Brown	12,979	13,184	12,887	634	692	890	4.7	5.0	6.5
Faribault	7,436	7,627	7,389	493	442	510	6.2	5.5	6.5
Le Sueur	9,860	10,086	9,390	898	783	1,106	8.3	7.2	10.5
Martin	10,415	10,844	11,125	647	570	1,008	5.8	5.0	8.2
Nicollet	14,478	14,658	13,703	467	542	667	3.1	3.6	4.6
Sibley	6,183	6,334	5,769	452	417	550	6.8	6.2	8.7
Waseca	8,936	9,042	8,753	334	407	507	3.6	4.3	5.5
Watson	6,002	6,002	5,244	236	329	258	3.8	5.2	4.7
REGION 10	214,185	216,987	201,789	9,415	9,509	11,923	4.2	4.2	5.5
Dodge	7,795	7,901	7,001	495	410	642	6.0	4.9	8.4
Fillmore	9,202	9,534	9,246	521	467	701	5.4	4.7	7.0
Freeborn	17,024	17,124	16,117	780	786	908	4.4	4.4	5.3
Goodhue	19,675	19,847	19,485	809	872	1,211	3.9	4.2	5.9
Houston	8,811	9,016	8,035	361	335	532	3.9	3.6	6.2
Lower	16,199	16,506	16,120	748	699	953	4.4	4.1	5.6
Olmsted	58,254	58,627	56,426	2,159	2,225	2,455	3.6	3.7	4.2
Rice	27,048	27,440	25,161	1,416	1,566	1,595	5.0	5.4	6.0
Steele	15,404	15,621	15,223	562	737	1,013	3.5	4.5	6.2
Wabasha	8,296	8,300	7,820	451	404	661	5.3	4.6	7.8
Winona	26,675	27,071	25,133	1,113	1,008	1,252	4.0	3.6	4.7
Rochester City	36,022	36,253	34,892	1,402	1,634	1,626	3.7	4.3	4.5

Olmsted County's Annual Average Unemployment Rate Resumes Downward Slide

The annual average unemployment rate for Olmsted County (Rochester MSA) dropped to 2.9 percent for 1988, the lowest on our records which date back to 1980. Following a pattern similar to some other parts of Minnesota, the only year in the last five the rate rose from the previous year was 1987. From 1980 to 1988 the annual average unemployment rates were: 4.3, 4.1, 5.6, 5.8, 4.7, 4.4, 3.9, 4.0, and 2.9 percent.

Across all regions of Southern Minnesota, the labor force increased and unemployment dropped from December 1987.

Over the month, the number of people in the labor force and the number employed declined in all regions. This is common in December. Unemployment rose overall, except fewer were jobless in Region 10. Olmsted County's unemployment rate dropped between November and December for the second year in a row.

Nonfarm payroll employment rose 0.1 percent over the month in the Rochester MSA, primarily because of 195 additional jobs in retail trade during the holidays. Government added 87 jobs (a 1.4% increase), and transportation, communication, and public utilities workers increased by 1.2 percent. Construction employment dropped 12.8 percent (262 positions), which is normal in December, and there were 97 fewer workers in nondurable goods production.

Over the year, all industries added jobs. Finance, insurance, and real estate gained them fastest, jumping by 10.9 percent. This meant 166 new jobs, not as many as generated by some industries because of its relatively small size. Health services added the most workers (948), a 5.6 percent over-the-year increase. Durable goods manufacturing grew by 7.6 percent and added 679 new jobs. Based on preliminary estimates, annual average total nonfarm payroll employment for 1988 grew 3.5 percent from 1987.

ROCHESTER MSA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	December 1988	November 1988	December 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	60,418	60,386	57,912	0.1	4.3
Total Manufacturing	11,494	11,581	10,753	-0.8	6.8
Durable Goods	9,668	9,668	8,989	0.0	7.6
Nondurable Goods	1,826	1,913	1,764	-5.1	2.9
Total Nonmanufacturing	48,924	48,805	47,159	0.3	3.8
Construction & Mining	1,777	2,039	1,776	-12.8	0.1
Transp., Comm., & Public Util.	1,736	1,716	1,717	1.2	1.1
Total Trade	12,230	12,025	11,763	1.7	4.0
Wholesale Trade	1,295	1,285	1,252	0.8	3.4
Retail Trade	10,935	10,740	10,511	1.8	4.0
Finan., Insur., & Real Estate	1,083	1,668	1,517	0.9	10.9
Total Services	25,147	25,083	24,126	0.3	4.2
Health Services	17,882	17,885	16,944	0.0	5.6
Other Services	7,265	7,198	7,182	0.8	1.0
Government	6,361	6,274	6,260	1.4	1.6



MINNESOTA Labor Market Review



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Selected Minnesota Program Statistics

Distribution of Insured Unemployed by Industry and Occupation, December 1988					Distribution of Insured Unemployed, by Age and Sex, December 1988				
Industry Attachment	Number	Percent of Total	Percent * / Long-Term- Unemployed	Women as Percent of Total	Age Groups	Number	Percent Distribution		
							Men of Totals	Men of Men	Women of Women
TOTAL, ALL INDUSTRIES	41,242	100.0	10.8	22.6	TOTALS	41,242	77.3	100.0	100.0
Ag., For., Fish.	1,653	4.0	2.1	10.4	Under 45	30,948	78.1	75.8	72.5
Mining	688	1.7	1.0	4.0	Under 25	5,118	80.3	12.9	10.8
Construction	14,699	35.6	2.2	2.8	25-34	15,726	78.7	38.8	35.7
Manufacturing	8,799	21.3	13.2	30.2	35-44	10,104	76.0	24.1	26.0
Public Utilities	1,716	4.2	14.3	16.1	45 and over	10,294	75.0	24.2	27.5
Wholesale Trade	2,404	5.8	22.2	27.6	45-54	6,202	74.7	14.5	16.8
Retail Trade	3,085	7.5	20.0	41.1	55 and over	4,092	75.5	9.7	10.7
Fin., Ins., Re. Est.	1,216	3.0	25.2	53.7					
Services	4,972	12.1	21.3	52.4					
Public Admin.	919	2.2	7.8	38.8					
Info. Not Available	1,091	2.6	11.6	28.7					
Occupational Attachment					Experienced Supply/Job Openings Demand **/				
					Applicants (Supply)	Job Openings (Demand)	Supply/Demand Ratio		
					Dec. 1988	Dec. 1988	Dec. 1988	Dec. 1987	
TOTAL, ALL OCCUPATIONS	41,242	100.0	10.8	22.6	62,921	19,270	3.3	3.0	
Prof., Tech., Mgr.	5,399	13.1	28.2	38.2	11,380	2,060	5.5	7.5	
Clerical	3,194	7.7	24.2	80.9	11,013	3,448	3.2	3.8	
Sales	1,264	3.1	25.4	32.5	3,746	2,329	1.6	1.7	
Services	2,029	4.9	16.2	57.4	6,890	6,321	1.1	1.4	
Farm, For., Fish.	1,451	3.5	1.5	14.4	1,401	105	13.3	7.8	
Processing	1,282	3.1	11.5	39.5	1,241	1,031	1.2	1.4	
Machine Trades	1,932	4.7	15.1	12.6	4,120	731	5.6	6.4	
Benchwork	2,658	6.4	9.7	49.0	4,322	1,091	4.0	0.8	
Structural Work	15,200	36.9	2.4	2.0	9,431	723	13.0	13.0	
Misc., and INA	6,833	16.6	6.7	8.4	9,377	1,431	6.6	5.3	

*/ Long-term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

**/ Inexperienced and improperly coded job applicants are not included in this table.

 MINNESOTA

Labor Market REVIEW

In This Issue:

With the release of the 1988 Salary Survey and the Consumer Price Index, it is possible to track the race between wages and price hikes. Page 1.

As 1989 opens, employment levels are generally higher than they were a year ago, but unemployment also seems to be edging upward. Page 8.

Refiguring The Unemployment Figures.
A new method of calculating monthly employment and unemployment estimates means that previous year's labor force data will be revised. Month-to-month changes will be accentuated, but breaks between the December and January data will be smoothed out. Page 24.

February 1989 Quarterly

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With this issue of the "Review", we begin making changes (improvements, we trust) in the publication. We have reorganized the contents by geographic area. All national data is under THE NATION heading (except that used as a comparative backdrop for state data). State data is consolidated in the MINNESOTA section, and Metropolitan data is in its section. In future quarterly "Reviews" some esoteric seeming charts or parts of tables may be dropped, while more relevant and current data such as employment projections may be added. Readers are encouraged to voice their opinions concerning present materials they could live without, information they'd like to see added, and design or other changes.

The 26 page **Minnesota Labor Market Review** is published quarterly by the Research and Statistics Office of the Minnesota Department of Jobs and Training, 390 North Robert St., St. Paul, Minnesota 55401. The 8 page supplement is published during the other eight months. Copies are available without charge by writing the editor.

Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the state are welcome. Length should not exceed 8 double-spaced typewritten pages, including graphs, references, and notes. We reserve the right to edit articles for clarity and length.

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FEATURE ARTICLE

The Race Between Wage And Price Hikes: Who's Winning?

By Betsy Sawyer and Ron Daws

With the release of the 1988 Salary Survey, there was good news and bad news. The bad news is that comparative yearly wages for a select sample of occupations suggests that between 1970 and 1988 inflation increased faster than wages did. A comparison of 18 salary survey occupations* surveyed each year between 1970 and 1988 shows that while median wages grew by 181 percent, the cost of living as measured by the Twin Cities Consumer Price Index (CPI-W) grew by 191.6 percent. That means the purchasing power of the average wage dollar dropped six percent between 1970 and 1988.

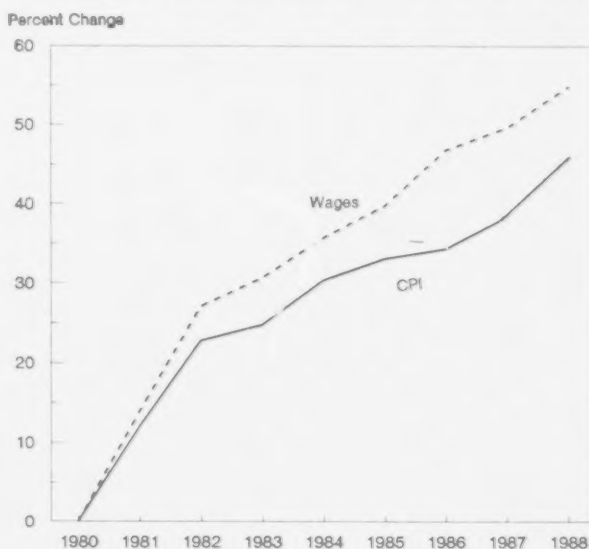
The good news is that between 1980 and 1988, wages have grown faster than inflation. A much broader sample of 130 occupations suggests that average median wages grew by 58.4 percent while the Twin Cities CPI-W rose by 45.5 percent. Therefore, the purchasing power of the average wage increased nine percent between 1980 and 1988. Were it not for upward creeping inflation in 1987 and 1988, the gain would have been greater (during 1987 the average wage was 11 percent higher than in 1980 (Chart 1 and Table 1).

The source of state wage data, the 1988 Minnesota Salary Survey, is published in three parts, the gen-

eral survey, the hospital and nursing home survey, and by firm size and industry. The first two compare wages for occupations over time as well as across the state. Each includes median hourly wage rates (the midpoint in the distribution of wages) for a combin-

Chart 1.

Wage and Price Increases Since 1980



For a list of these 18 occupations, see the feature article, Trends In Wages And Prices In Minnesota, 1983-1986 in the August 1986 issue of the "Review."

Table 1.

Comparison Of Minnesota Wage And Price Changes* From 1980 To 1988

	80	81	82	83	84	85	86	87	88
Average Wages	\$6.52	7.36	8.14	8.59	8.96	9.29	9.70	9.89	10.33
% Change in Wages from 1980	-	12.9	24.8	31.7	37.4	42.5	48.8	51.7	58.4
% Change in CPI from 1980	-	12.0	22.8	24.8	30.4	33.1	34.3	38.3	45.5
Constant 1980 Wages	\$6.52	6.57	6.63	6.88	6.87	6.98	7.22	7.15	7.10
% Change in 1980 Constant Wages Since 1980	-	4.4	1.7	5.5	5.4	7.1	10.7	9.7	8.9

* Wages measured by the Minnesota Salary Survey and Price measured by the Twin Cities Consumer Price Index (CPI-W).

ed total of 240 occupations, as well as various percentiles along the distribution of wages. Occupations are categorized into five broad groups with average median hourly wage rates calculated for each group.

Between 1987 and 1988 the average wage of all occupations surveyed increased by 2.6 percent, half the rate of inflation, 5.2 percent (Table 2). Another measure, the Employment Cost Index (ECI) shows that employer wage costs went up faster than wages surveyed by the

salary survey. This national index measures changes in wage costs, free from the influence of workers who change jobs and industries. The index says that employer wage costs increased 3.3 percent from March 1987 to March 1988.

Where The Big Wages Are

Wage and price hikes were not uniform across the state, however.

Area wage data suggests that Twin City Metropolitan area wages were about 16 percent higher than

Table 2.

Comparison Of Wages By Occupational Group Between 1987 And 1988

Occupational Group	Median Hourly Wage		Percent Change From 1987		M-SP CPI-W
	1987	1988	Salary Survey	ECI	
Professional & Tech.	\$12.44	\$13.02	4.6	4.0	-
Sales	7.91	7.86	-0.7	0.6	-
Clerical	8.09	8.13	0.5	4.4	-
Service	7.53	7.79	3.6	2.4	-
Prod, Const, & Maint.	10.48	10.67	1.8	3.4	-
All Occupations	10.28	10.55	2.6	3.3	-
CPI-W Mpls-St. Paul (Av. 1988)					5.2

Greater Minnesota wages (Twin City area wages were 8.4 percent higher than the state average).

But the higher Twin City wages were mostly offset by higher living costs. According to a study by the Office of the Legislative Auditor, Minnesotans who live outside the Twin Cities pay 11 percent less for basic living expenses than do those residing in the Twin Cities. Almost all the difference is due to the higher cost of housing in the Twin Cities. Living expenses were especially low in Southwest Minnesota, and highest across a broad diagonal swath running from Rochester through the Twin Cities and up into St. Cloud.

Table 3 shows average median hourly wages for the state and six sub-areas. Also shown are wage indexes for substate areas using state wage rates as the base, as well as over-the-year percentage changes.

State salaries have traditionally been highest in the Twin City area. The highly unionized Northeast Area paid next best, while predominately agricultural western Minnesota paid the lowest wages. These relationships generally held for all occupational categories. Twin Cities area wages also increased fastest since 1987, by 3.5 percent. A 5.8 per-

cent increase in professional and technical salaries, and a 3.7 percent jump in production, construction and maintenance salaries provided the most impetus. Conversely, wages declined by 1.1 percent in the Northwest due to a 4.0 percent decrease in production, construction and maintenance wages.

Comparative Occupational Wage Gains

Wages of professionals and technicals increased most, at 4.6 percent, while sales salaries declined slightly. While accessing sales salaries is complicated by differences in the way commissions are reported, a small drop is consistent with the ECI. The Salary Survey and the ECI clash most in the area of clerical wages, and most of this can be explained by a large decrease in the wages of order fillers and order salespersons.

Firm size also affects wages. The larger the firm, the higher the wages in any occupation (Table 4). Clerical salaries varied least between small and large companies, while service workers in large firms earned a great deal more. Wage increases between 1987 and 1988 were uniform across jobs except for firms with fewer than 50 employees where wages essentially stagnated, again due to a three percent decline in product-

Table 3.

Minnesota Wages By Geographic Area And Major Occupational Group

Area of State	Median Hourly Wage						Wage Index						Percent Change From 1987
	All Occ.	Prof/ Tech.	Sales	Cler.	Ser.	Prod/ Const/ Maint.	All Occ.	Tech	Sales	Cler.	Ser.	Prod/ Const/ Maint.	
Northwest	\$8.75	\$10.85	\$6.67	\$7.00	\$6.63	\$8.68	83	83	85	86	85	81	-1.1
Southwest	8.79	11.07	7.22	7.34	7.44	8.31	83	85	92	90	95	78	1.7
Central	9.10	11.46	7.57	7.23	7.47	8.75	86	88	96	89	96	82	2.4
Northeast	10.52	12.95	7.87	8.17	7.69	10.66	100	100	100	100	99	100	2.0
Southeast	9.53	11.74	6.47	8.09	7.42	9.16	90	90	108	99	95	86	2.3
Twin Cities	11.36	13.88	8.20	8.30	8.37	11.78	108	107	104	102	107	110	3.5
Total State	10.55	13.02	7.86	8.13	7.79	10.67	100	100	100	100	100	100	2.6

Table 4. Minnesota Wages By Firm Size And Major Occupational Group

Size Of Firm	Median Hourly Wage						Wage Index (All Firms=100 In 1988)						Percent Change From 1987
	All Occ.	Prof/ Tech	Sales	Cler	Serv	Prod/ Const/ Maint.	All Occ.	Prof/ Tech	Sales	Cler	Serv	Prod/ Const/ Maint.	
Under 50	\$9.36	11.29	7.40	7.62	6.73	9.47	89	87	94	94	86	89	0.2
50-99	9.92	12.15	7.74	7.96	6.93	10.02	94	93	98	98	89	94	2.9
100-499	10.50	13.09	8.19	7.99	7.68	10.55	100	101	104	98	99	99	2.9
500+	11.81	14.25	9.18	8.56	9.16	12.12	112	110	117	105	123	114	2.5
All Firms	10.55	13.02	7.86	8.13	7.79	10.67	100	100	100	100	100	100	2.6

Table 5. Minnesota Wages By Firm Size And Major Occupational Group

Industry	Median Hourly Wage				Wage Index				Percent Change From 1987
	All Occ.	Prof/ Tech	Cler	Blue Collar	All Occ.	Prof/ Tech	Cler	Blue Collar	
Const.	\$10.78	15.49	8.29	11.03	111	114	107	113	4.2
Manufact.	9.90	14.14	7.74	9.98	102	104	100	102	3.3
Tr, Com, Ut.	10.73	13.85	9.14	10.79	111	102	118	110	9.1
Trade	8.63	11.80	7.26	8.25	89	87	94	84	-2.8
Fi, Ins, R.E	9.39	13.11	7.63	9.21	97	97	99	94	4.4
Services	8.71	13.59	7.05	7.32	90	100	91	75	5.2
Government	10.73	13.74	8.54	11.98	111	102	111	122	2.0
All Indust.	9.69	13.53	7.72	9.79	100	100	100	100	3.3

ion, construction and maintenance wages.

Pick Your Industry Carefully

Only 37 surveyed occupations were common to all industries. Mining, although included in the totals, does not appear separately in Table 5 because there was insufficient data for separate disclosure. During 1988, construction and government generally paid their employees best. The transportation, communication and utilities industry also paid well, although the differences shown in Table 5 may be exaggerated because with the samples for jobs being small, the resultant estimates are unreliable.

As before, professionals received the highest salaries in the construction industry, clerical workers in transportation, communication and utilities, and blue collar workers (production, construction, maintenance and service jobs) in government. Wholesale

and retail trade and services jobs paid least well. Wages in trade declined 2.8 percent from 1987. While part of this may be due to a large decrease in the wages of an occupation with a small sample size, it mirrors the decline in sales wages.

As in previous years, professionals employed in trade earned the lowest wages as did clericals and blue collar workers in services. Large numbers of low paid guards in the temporary service industry helped produce the large spread in blue collar wages among industries.

As we move into 1989 and beyond, the questions are whether wages will begin to spiral owing to forecasted labor shortages, and whether inflation will heat up as higher labor costs are passed along to consumers. If wages and prices advance together, there will be few winners. □

THE NATION

By Ben Boyle



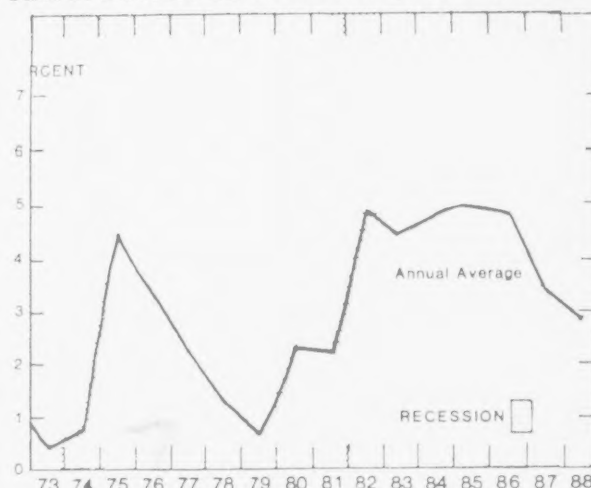
Mild Weather Contributes To Sharp Rise In Payroll Employment In January; Unemployment Rate Edges Upward

The nation's seasonally adjusted unemployment rate rose a slight 0.1 of a point to 5.4 percent in January, after an average of 5.3 percent in the fourth quarter of 1988 and 5.9 percent in the fourth quarter of 1987. In January 1988 the rate was 5.8 percent. Partly as a result of unusually warm weather, seasonally adjusted nonfarm payroll employment rose by a very strong 408,000 in January after a gain of 221,000 in December. Construction employment which had average monthly increases of 26,000 during 1988 surged by 102,000 in January. Also, the January gain of 133,000 in retail trade appears to be exaggerated. Layoffs were not as numerous as usual because holiday hiring was less than normal. Still, factory employment rose by 46,000 after an increase of 23,000 in December.

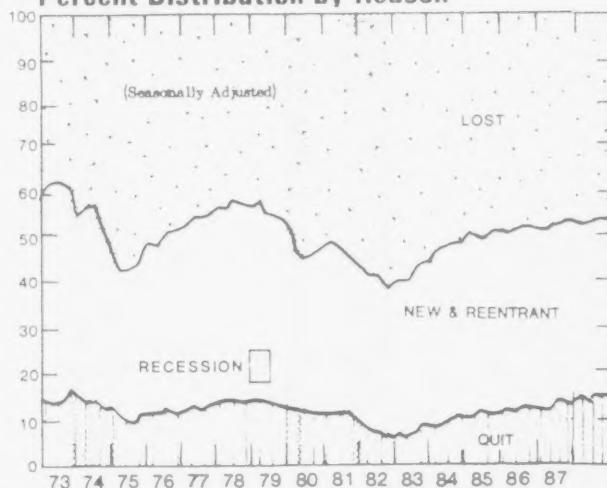
Weather Also Affects Other Measures Of Economic Activity

Mild weather boosted housing starts which jumped by 8 percent in January. The healthy gain of 0.6 percent in retail sales was also weather related. Although industrial production rose less than in December, the 0.3 percent rise in January was still satisfactory. Moreover, the capacity utilization rate of the nation's factories, mines and utilities remained at its highest mark since October 1979. Meanwhile, personal income rose by a healthy 1.8 percent during the month while personal spending increased by only 0.1 percent. However, the report on gross national product for the fourth quarter showed that consumer spending rose more than was previously estimated.

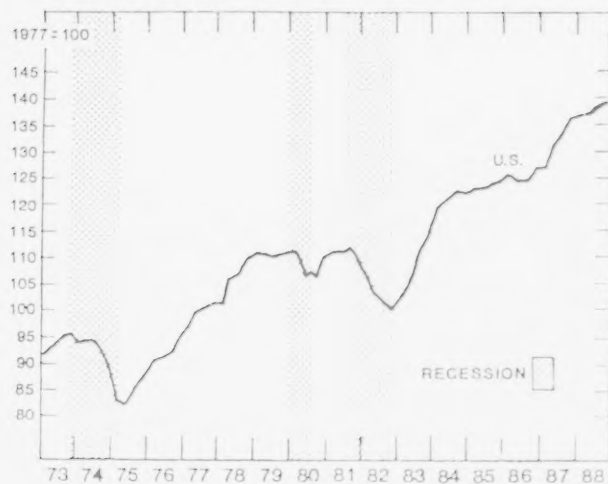
Federal Deficit as % of GNP (Current Dollars)



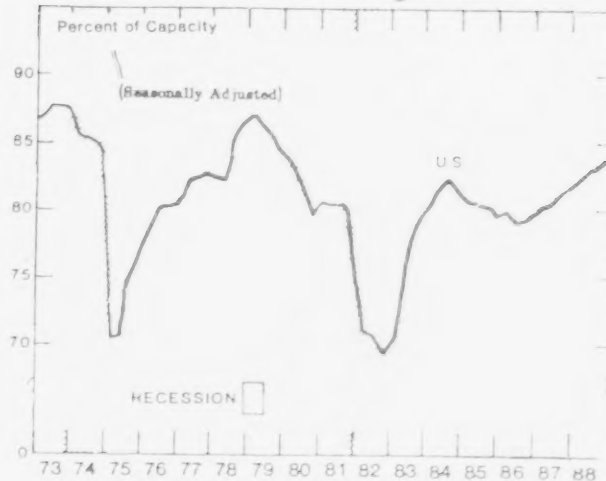
U.S. Unemployment: Percent Distribution by Reason



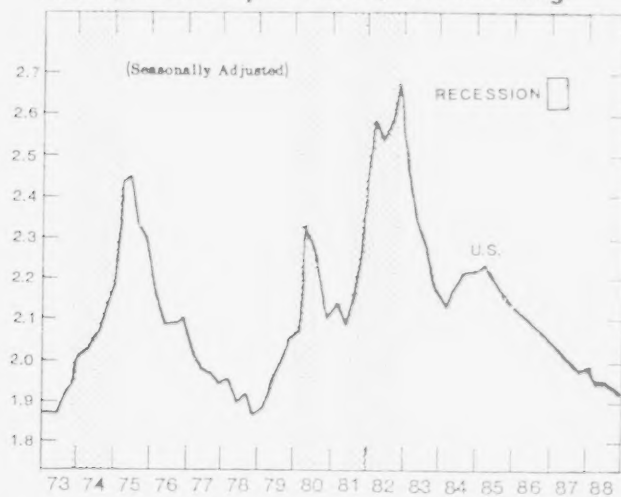
Index of Industrial Production



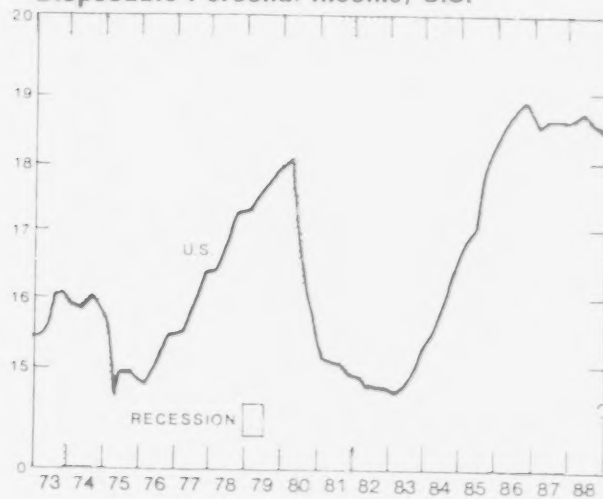
Plant Utilization Rates, Mfg.



Ratio, Inventory to Sales, Durable Mfg.



Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.



National Spending, Output, Income, and Prices

Type of Economic Activity	United States		
	IV QUARTER 1988	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars)	4,029.2	0.5	2.7
Personal Consumption Expenditures	2,621.9	0.7	3.6
Durable Goods	412.5	0.5	6.4
Nondurable Goods	908.7	0.5	2.0
Services	1,300.7	0.9	3.8
Gross Private Domestic Investment	717.1	-1.2	-1.0
Nonresidential, Fixed	490.4	-0.9	5.5
Residential, Fixed	197.4	3.0	2.4
Net Exports	-100.7	#	#
Government Purchases	790.9	2.2	-0.2
Federal	332.9	4.0	-4.3
State and Local	458.0	1.0	2.9
Current Federal Budget Surplus (Deficit) ^{1/}	-161.5	-123.5	-160.4
Current Federal Budget Surplus (Deficit) as % of GNP ^{1/}	3.2	2.5	3.4
Retail Sales (in millions of dollars)	137,465	2.2	7.7
Industrial Production (Base Year - 1977)	139.8	1.0	5.0
Housing Starts (Annualized in Thousands)	1,538	4.8	0.3
Plant Utilization Rates	84.3	0.4	2.4
New Orders - Durable Goods (in millions of dollars)	125,526	5.1	11.7
Income and Credit			
Total Personal Income (in billions of dollars)	4,185.1	2.2	7.1
Total Disposable Personal Income (in billions of dollars)	3,587.1	2.3	8.2
Per Capita Personal Income			
Current Dollars	16,927	1.9	6.1
1967 Dollars	14,067	0.9	1.7
Median Family Income - Family of Four (in dollars)	n.a.	n.a.	n.a.
Poverty Threshold for Family of Four (in dollars)	12,100	n.a.	3.9
Average Weekly Earnings of Production Workers in Mfg.	427.94	2.7	3.0
Money and Credit			
Money Supply (M2) (in billions of dollars)	3,053.3	0.8	5.4
Federal Reserve Discount Rate	6.50	3.3	8.3
Prime Rate Charged by Banks	10.18	4.8	14.8
Consumer Installment Credit as % of Disp. Pers. Income	18.5	-0.6	0.4
Prices			
Consumer Price Index (All Urban Consumers)	120.3	1.0	4.2
Food	129.4	0.8	5.2
Housing	120.0	0.4	3.9
Apparel	119.5	4.5	4.4
Transportation	110.5	1.0	2.8
Medical Care	141.8	1.4	6.9
Personal Care	121.7	1.8	4.6
Producer Price Index	108.5	0.5	4.1
Finished Goods	107.9	0.7	3.5
Raw Materials	96.2	-0.9	1.1

Percent change not applicable

^{1/} Represents values - not percent change.

MINNESOTA

By Ben Boyle



January Rise In Unemployment Rate Is Close To Normal Seasonal Increase

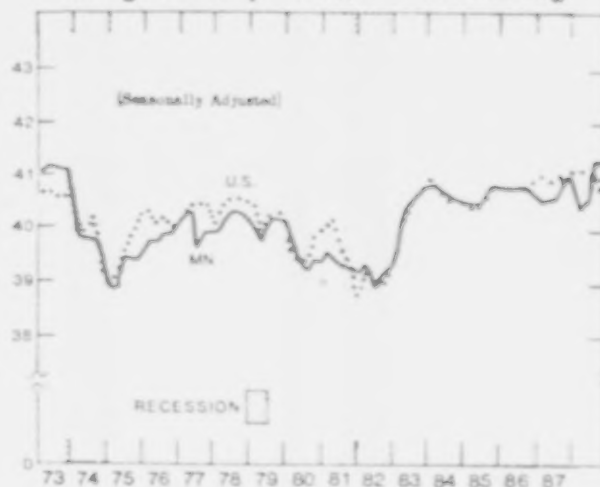
The state's seasonally unadjusted unemployment rate rose a full percentage point to 5.1 percent in January from 4.1 percent in December. The rate had averaged 3.6 percent in the fourth quarter of 1988, down from 4.5 percent in the fourth quarter of 1987. In January 1988 the rate was 4.9 percent.

Nonfarm Wage And Salary Employment Shows Little Change In January; Annual Average Growth In 1988 Is Only Slightly Less Than In 1987

Because newly revised seasonally adjusted data were not available, it was necessary to estimate the seasonally adjusted changes in nonfarm wage and employment. Total nonfarm wage and salary employment in January appeared to have remained close to the December level and was 60,200 or 3.1 percent above the total of a year ago. The biggest over-the-month growth took place in the finance, insurance and real estate industry division, particularly in insurance. Employment in manufacturing also appears to have increased in January inasmuch as the December to January decline was considerably less than the average drop of the past four years between these two months. Local government employment fell more than usual in January.

Recently revised annual average figures show that total nonfarm wage and salary employment increased by 3.3 percent in 1988 after a gain of 3.5 percent in 1987. In 1986 wage and salary employment rose by only 1.5 percent. Although mining had the largest growth in percentage terms (14.9%), it only added 900 jobs. Employment in durable goods manufacturing increased much faster than in 1987.

Average Weekly Hours, Manufacturing



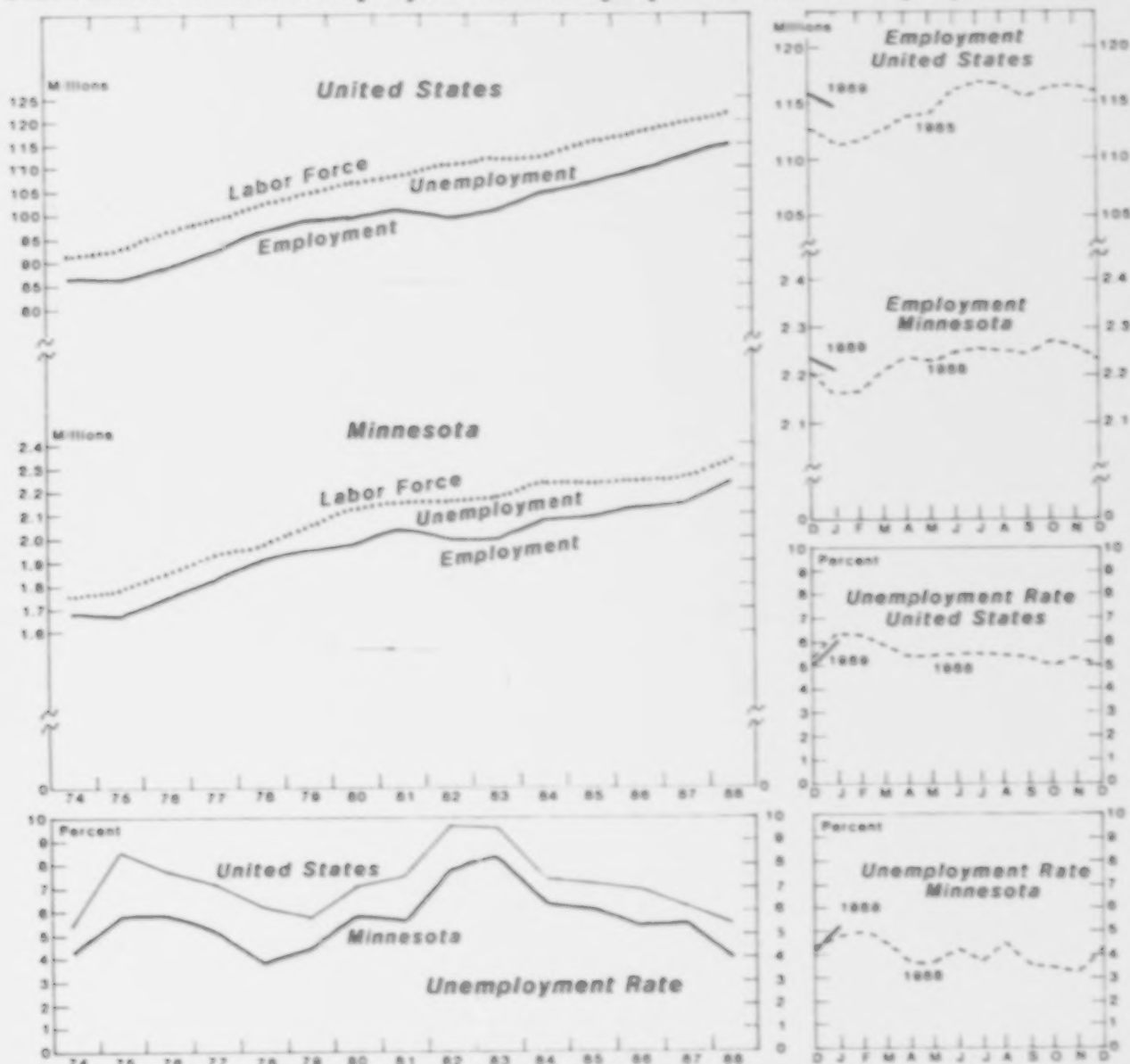
Manufacturing Employment, Durable Goods



Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	January 1989	Change From		January 1989	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,323.1	-7.2	45.1	122.1	0.0	2.4
Employed	2,204.2	-29.6	37.3	114.8	-1.2	2.6
Unemployed	118.9	22.4	7.9	7.3	1.2	-0.3
Unemployment Rate						
Actual	5.1	1.0	0.2	6.0	1.0	-0.3
Seasonally Adjusted	n.a.	n.a.	n.a.	5.4	0.1	-0.4

* Components may not add to Civilian Labor Force due to rounding.

U.S. And Minnesota Employment, Unemployment And Unemployment Rate



Quarterly U.S. and Minnesota Labor Force and Industry Data

	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	IV QTR 1988	Percent Change from		IV QTR 1988	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2,344.1	-0.1	2.4	122,397	-0.5	1.6
Seasonally Adjusted	n.a.	n.a.	n.a.	122,388	0.4	1.5
Employment						
Actual	2,260.1	0.3	3.3	116,181	-0.2	2.1
Seasonally Adjusted	n.a.	n.a.	n.a.	115,843	0.6	2.1
Unemployment						
Actual	84.0	-10.0	-17.6	6,216	-6.1	-7.6
Seasonally Adjusted	n.a.	n.a.	n.a.	6,545	-2.0	-7.5
Unemployment Rates						
Actual	3.6	-10.0	-20.0	5.1	-5.6	-8.9
Seasonally Adjusted	n.a.	n.a.	n.a.	5.3	-3.6	-10.2
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population (16+))	n.a.	n.a.	n.a.	62.5	0.3	1.0
Full Employment Deficit - Percent of Workers ^{1/}	-0.4	0.0	0.5	1.1	1.4	1.6
Manpower Utilization Rate ^{2/}	84.0	-0.3	-0.3	84.1	0.2	0.6
Nonagricultural Wage & Salary Positions						
Employment (Seasonally adjusted)	2,047.2	1.1	3.1	107,335	0.8	3.5
Mining	7.7	10.8	8.5	724	-1.9	-1.8
Construction	77.4	-0.7	-5.7	5,396	1.0	6.0
Manufacturing	391.8	0.7	3.2	19,706	0.7	2.2
Durables	233.5	0.7	3.9	11,634	0.7	2.5
Nondurables	158.3	0.8	2.1	8,072	0.7	1.7
Trans., Comm., & Public Utilities	102.8	0.6	1.6	5,643	0.6	3.3
Trade	513.3	1.5	4.1	25,659	0.7	3.8
Fin., Ins., & Real Estate	123.6	-0.2	1.8	6,722	0.5	1.7
Services	504.8	1.3	4.3	25,943	1.1	5.4
Government	325.7	1.2	2.5	17,542	0.8	2.2
Average Weekly Hours (Seasonally adjusted)						
Mining	43.5	0.0	-0.7	42.2	0.0	-1.6
Construction	38.4	-0.5	-1.0	38.0	-1.3	0.5
Manufacturing	40.9	-1.0	-0.2	41.1	0.0	0.0
Durables	41.9	-0.9	-1.2	41.8	0.0	0.2
Nondurables	39.7	-0.5	1.0	40.1	-0.2	-0.5
Trans., Comm., & Public Utilities	35.1	-0.8	-5.1	39.4	0.0	0.5
Trade	29.2	-0.7	-0.7	31.2	-0.3	-0.3
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	35.8	-0.3	-1.1
Services	n.a.	n.a.	n.a.	32.6	0.0	0.0
Average Hourly Wage						
Mining	13.17	1.2	2.6	12.79	0.9	2.2
Construction	15.80	2.1	2.1	13.11	0.8	2.3
Manufacturing	10.65	1.3	2.2	10.30	1.2	2.9
Durables	10.92	0.4	1.9	10.85	1.4	2.9
Nondurables	10.28	2.6	2.7	9.53	0.8	2.9
Trans., Comm., & Public Utilities	12.69	0.6	0.6	12.47	0.9	2.3
Trade	7.82	0.3	0.3	7.42	1.5	4.1
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	9.28	2.3	5.2
Services	n.a.	n.a.	n.a.	9.10	2.8	4.8

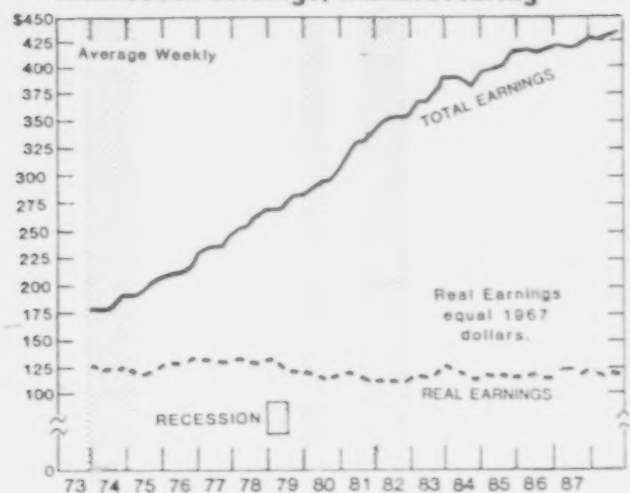
^{1/} Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

^{2/} Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

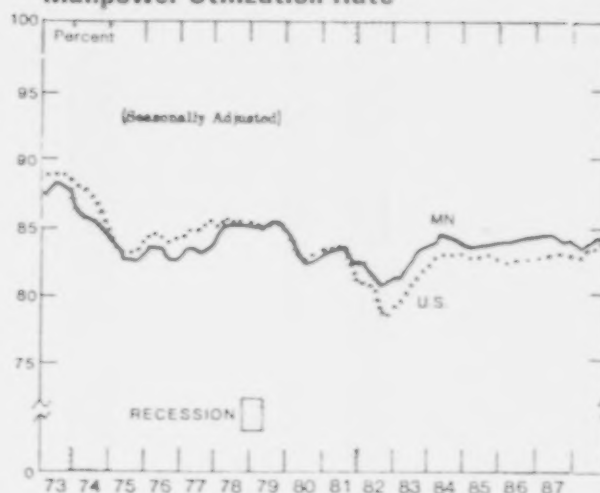
Minnesota Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Jan. 1989	Dec. 1988	Jan. 1988	Dec. 1988	Jan. 1988	Jan. 1989	Jan. 1988	Jan. 1989	Jan. 1988	Jan. 1989	Jan. 1988
Total Nonagricultural	2,011.4	2,059.2	1,951.2	-2.3	3.1	-	-	-	-	-	-
Manufacturing	393.9	396.4	379.7	-0.6	3.7	427.05	423.39	10.73	10.48	39.8	40.4
Durable Goods	237.4	238.2	227.7	-0.4	4.3	439.67	441.25	10.91	10.71	40.3	41.2
Lumber and Furniture	22.5	22.1	20.7	1.8	8.4	441.96	430.50	11.60	11.48	38.1	37.5
Stone, Clay and Glass	7.6	8.2	7.3	-8.2	4.1	427.73	405.20	10.72	10.13	39.9	40.0
Primary Metals	7.4	7.4	6.7	0.0	10.7	426.86	404.20	9.95	9.40	42.9	43.0
Fabricated Metals	34.0	34.3	34.1	-0.9	-0.2	497.62	517.63	11.82	12.01	42.1	43.1
Nonelectrical Machinery	85.6	85.6	83.4	0.0	2.7	461.15	466.62	11.50	11.11	40.1	42.0
Office and Computing	40.4	40.8	41.3	-1.0	-2.2	516.80	508.30	12.16	11.96	42.5	42.5
Electrical Machinery	31.1	31.2	29.7	-0.2	4.8	352.03	348.35	9.12	8.58	38.6	40.6
Transportation Equipment	10.5	10.6	9.8	-1.0	8.8	520.15	520.88	12.21	12.17	42.6	42.8
Scientific Instruments	32.6	32.5	30.7	0.3	5.9	420.65	419.23	10.21	10.25	41.2	40.9
Misc. Manufacturing	6.2	6.4	5.5	-3.1	12.6	432.43	476.00	10.37	11.20	41.7	42.5
Nondurable Goods	156.5	158.2	152.1	-1.1	2.9	411.21	398.90	10.49	10.15	39.2	39.3
Food and Kindred	43.8	44.9	43.2	-2.3	1.4	375.96	361.15	9.47	9.12	39.7	39.6
Textiles and Apparel	4.8	4.8	4.6	-1.2	4.5	262.81	269.38	7.24	7.36	36.3	36.6
Paper and Allied	33.0	33.1	32.7	-0.4	0.9	517.28	502.86	12.20	11.86	42.4	42.4
Printing and Publishing	47.8	48.4	46.0	-1.2	4.0	398.58	388.73	10.92	10.65	36.5	36.5
Chemicals and Petroleum	11.1	11.1	10.5	-0.6	5.1	501.74	486.77	12.45	11.96	40.3	40.7
Rubber, Plastic & Leather	16.0	15.8	15.1	1.3	6.4	373.20	355.31	9.33	8.73	40.0	40.7
Nonmanufacturing	1,617.5	1,662.8	1,571.5	-2.7	2.9	-	-	-	-	-	-
Mining	6.4	6.7	5.9	-5.2	8.6	574.99	578.59	13.31	13.12	43.2	44.1
Metal Mining	5.3	5.3	4.9	-0.6	7.9	597.04	602.98	13.60	13.55	43.9	44.5
Construction	63.3	74.7	62.9	-15.2	0.7	592.92	587.29	16.20	15.83	36.6	37.1
Transp., Comm., Pub. Util.	102.3	104.6	99.1	-2.2	3.2	-	-	-	-	-	-
Transportation	68.1	70.2	65.3	-3.0	4.3	-	-	-	-	-	-
Trucking & Warehousing	26.0	27.3	25.3	-4.8	2.7	389.06	419.91	12.47	12.61	31.2	33.3
Comm. & Public Util.	34.2	34.4	33.9	-0.6	1.0	581.03	564.87	14.86	14.41	39.1	39.2
Trade	504.3	523.6	491.1	-3.7	2.7	225.88	221.09	8.01	7.84	28.2	28.2
Wholesale	124.4	126.5	120.9	-1.6	2.8	400.73	409.89	10.86	10.73	36.9	38.2
Retail	379.9	397.1	370.1	-4.3	2.6	175.27	167.89	6.82	6.61	25.7	25.4
Building Materials	16.4	17.7	16.6	-7.1	-0.8	314.28	328.19	8.73	8.87	36.0	37.0
General Merchandise	60.4	63.9	58.9	-5.6	2.5	157.61	135.97	6.65	5.99	23.7	22.7
Food Stores	51.6	53.6	49.4	-3.7	4.5	186.91	190.15	7.08	7.23	26.4	26.3
Automotive	41.8	42.6	40.1	-1.9	4.3	311.05	310.82	8.99	8.83	34.6	35.2
Apparel	19.9	21.5	19.7	-7.4	1.3	110.64	101.99	5.56	5.34	19.9	19.1
Home Furnishings	15.6	16.1	15.3	-2.7	2.0	238.40	227.53	8.00	7.46	29.8	30.5
Eating and Drinking	123.7	128.4	120.8	-3.7	2.4	111.54	102.99	5.07	4.79	22.0	21.5
Fin., Insur., Real Estate	119.2	119.4	118.6	-0.2	0.5	-	-	-	-	-	-
Finance	54.4	54.5	55.3	-0.2	-1.5	-	-	-	-	-	-
Insurance	44.6	44.5	43.9	0.2	1.5	-	-	-	-	-	-
Real Estate	20.2	20.4	19.4	-1.1	3.9	-	-	-	-	-	-
Services	491.9	500.6	474.5	-1.8	3.7	-	-	-	-	-	-
Personal Services	25.9	26.4	24.6	-2.0	5.2	1/ Totals may not add because of rounding.					
Business Services	98.9	102.6	94.5	-3.6	4.7						
Repair Services	20.6	20.9	19.8	-1.8	3.6	2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Health Services	152.9	152.5	148.3	0.3	3.1						
Hospitals	50.2	50.3	51.1	-0.1	-1.8						
Nursing Homes	41.5	41.3	40.6	0.7	2.4						
Legal Services	15.2	15.1	14.6	1.0	4.3						
Private Education	29.1	30.2	28.5	-3.6	2.1						
Government	330.1	333.2	319.4	-0.9	3.4						
Federal	34.2	34.4	33.6	-0.6	1.7						
State	82.6	82.0	80.7	0.8	2.3						
Education	45.8	45.2	45.2	1.4	1.2						
Local	213.3	216.8	205.0	-1.6	4.0						
Education	116.5	119.8	110.2	-2.8	5.7						

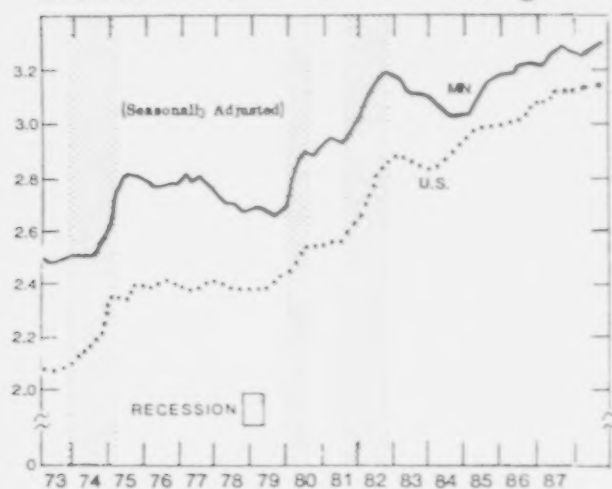
Minnesota Earnings, Manufacturing



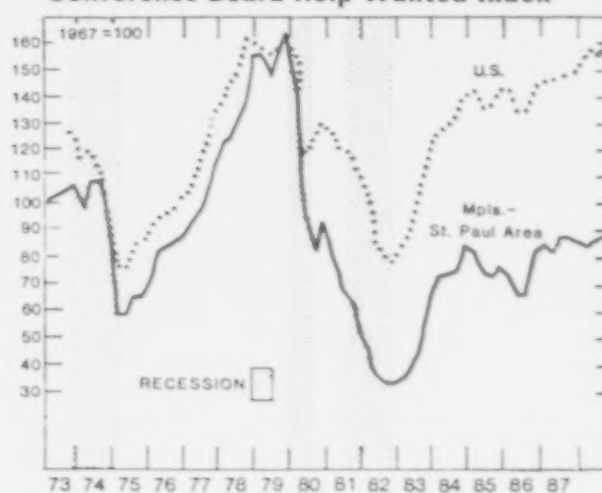
Manpower Utilization Rate



Ratio of Services to Goods Producing Jobs



Conference Board Help Wanted Index



Forecasts of GNP & Minnesota Payroll Employment

By Charles Cline

Our forecasts show Real GNP and Minnesota employment continuing the trend toward slower growth. The declines are consistent with those one quarter ago. But the decline in forecasted growth rates is now more pronounced.

The last several quarters have seen expectations (now realized) of higher inflation, and policy has responded with tighter interest rates. Rates on 91 day treasury bills have increased. The fourth quarter rate was 7.70 percent. That is up by 1.70 percentage points from last year's rate of 6.0 percent.

Both labor and plant utilization rates are high and continue to increase. Pressures on prices and wages increase. Additions of high productivity plant and equipment may

Forecast Trends of One Year Growth Rates

First Period	Real GNP		MN. Employment	
	First Yr. Out	Second Yr. Out	First Yr. Out	Second Yr. Out
88:1	5.05	2.90	4.75	3.87
88:2	5.16	3.06	4.81	4.08
88:3	4.83	3.02	4.58	4.00
88:4	4.18	2.71	3.96	3.44
89:1	3.27	2.31	3.03	2.59

be what is called for. Perhaps we should consider whether the present high interest rate policy is not reaching its limits as an effective anti-inflationary remedy. This is not a criticism of the Fed but a call to rethink the present policy mix.

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
<u>Current</u>										
1988:4	4,029.70	2,064.84	7.08	82.18	397.93	104.37	519.30	119.50	501.22	333.25
<u>Forecasts</u>										
1989:1	4,068.89	2,012.89	6.55	62.21	390.27	101.55	501.94	119.63	498.22	333.36
1989:2	4,104.93	2,078.93	7.47	78.57	396.65	103.54	522.02	122.13	513.07	337.24
1989:3	4,141.79	2,100.35	7.57	91.43	412.51	103.90	528.32	123.91	519.83	309.25
1989:4	4,173.68	2,129.49	7.12	85.06	407.37	107.03	534.95	123.67	522.94	341.32
1990:1	4,201.84	2,073.89	6.67	63.29	401.45	104.06	516.36	123.82	518.93	341.31
1990:2	4,228.32	2,141.88	7.62	79.31	408.01	106.10	537.70	126.42	534.91	344.88
1990:3	4,252.86	2,165.64	7.66	92.28	424.36	106.58	542.88	128.35	539.79	317.77
1990:4	4,275.30	2,191.63	7.16	85.06	417.41	109.53	549.97	128.08	543.33	349.38
1991:1	4,298.82	2,127.68	6.70	62.75	409.76	106.06	529.57	128.19	538.03	349.00

Notes

1. These forecasts are produced using the Vector Autoregression Model Developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Unemployment Insurance Claimants in Minnesota

Characteristics	FOURTH QUARTER 1989			JANUARY 1989			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	20,660	54.4	-6.3	43,637	36.9	-4.7	6.9
Under 45	15,590	56.6	-7.9	33,090	36.9	-6.1	6.4
16-24	2,501	87.8	-21.1	5,741	39.7	-16.9	4.1
25-34	7,919	58.1	-6.8	16,764	35.4	-5.4	6.3
35-44	5,170	43.0	-1.8	10,585	37.9	-0.3	7.7
45 and Over	5,070	48.0	-0.8	10,547	36.6	0.3	8.5
45-54	3,041	50.3	-1.0	6,326	36.6	0.2	8.2
55 and Over	2,029	44.6	-0.5	4,221	36.6	0.4	8.9
Female	8,784	-12.2	-9.5	12,008	28.3	0.7	17.9
Under 45	6,397	-11.5	-10.9	8,569	26.3	-1.7	17.3
16-24	929	-2.2	-25.1	1,382	37.0	-16.5	10.6
25-34	3,182	-9.2	-8.2	4,147	24.0	0.3	18.7
35-44	2,286	-17.4	-7.4	3,040	25.2	3.8	18.6
45 and Over	2,387	-14.0	-5.4	3,439	33.6	7.2	19.4
45-54	1,444	-13.2	-5.9	2,003	27.5	4.9	18.5
55 and Over	943	-15.0	-4.7	1,436	43.2	10.6	20.6
By Industry	29,444	25.9	-7.2	55,645	34.9	-3.6	9.3
Ag., For., Fish.	825	210.2	-14.0	2,089	26.4	-5.1	1.5
Mining	302	694.7	-27.6	1,043	51.6	-5.1	1.1
Construction	7,707	137.9	-10.5	21,313	45.0	-10.3	2.3
Manufacturing	6,939	19.3	-4.3	11,869	34.9	5.8	12.2
Pub. Utilities	1,252	19.5	-4.4	2,442	42.3	2.3	11.2
Wholesale Trade	2,068	9.4	12.6	2,907	20.9	13.7	21.0
Retail Trade	2,784	-3.3	-11.4	4,270	38.4	-3.2	15.6
Fin., Ins., Real Est.	1,153	-2.4	-19.4	1,341	10.3	-19.5	24.4
Services	4,767	-18.5	-12.5	5,891	18.5	-10.3	17.9
Public Admin.	705	85.5	-16.3	1,015	10.4	-5.8	12.1
Inf. Not Available	942	18.8	92.6	1,465	34.3	95.1	10.6
By Occupation	29,444	25.9	-7.2	55,645	34.9	-3.6	9.3
Prof., Tech., Mgr.	5,376	-11.7	-1.4	6,039	11.9	2.1	25.6
Clerical	3,230	-11.5	-8.6	3,860	20.9	-3.4	22.8
Sales	1,210	-0.7	-7.4	1,539	21.8	-4.5	24.4
Services	1,819	3.4	-14.2	2,454	20.9	-9.6	14.9
Farm., For., Fish.	755	295.3	-14.4	1,826	25.8	-6.1	1.6
Processing	954	27.5	-9.7	2,384	86.0	14.1	6.7
Machine Trade	1,604	24.2	2.2	2,579	33.5	7.0	13.3
Benchwork	2,086	7.7	-16.9	3,471	30.6	3.0	10.0
Structural Work	8,207	120.7	-8.0	22,114	45.5	-8.7	2.6
Misc.	3,969	55.3	-6.3	9,077	38.3	-0.9	5.8
Inf. Not Available	234	4.0	47.2	302	11.9	15.7	13.4
By Duration	29,444	25.9	-7.2	55,645	34.9	-3.6	
0-14 Weeks	24,878	36.8	-7.1	50,470	37.2	-3.7	
15+ Weeks (Long-Term)	4,566	-12.1	-8.1	5,175	16.2	-2.5	

The above table includes data on those claiming benefits from extended programs are reported only when benefits from the regular state program. Federal those programs are in effect. employees and veterans are excluded, and recipients of

METROPOLITAN AREAS

Minneapolis-St. Paul MSA



By Kevin Alaspa

Seasonal Factors Cause January Employment Decline

Employment in the Twin Cities metropolitan area declined in January, a normal seasonal development. Outdoor occupations are usually at their lowest employment level in mid-winter, and many temporary jobs associated with the holiday retail season ended in January. The increase in the unemployment rate from 3.3 percent in December to 4.0 in January was pretty much anticipated.

Wage and salary employment dropped by 28,300 in January, and as expected, most of this decline occurred in retail trade (11,000) and construction (6,200). Most of the decline in retail trade took place in general merchandise stores and eating and drinking establishments. Employment in the services sector also dropped by 6,200, the majority of this decline occurring in business services.

Employment Gains Over The Year Have Been Impressive

Even though the number of unemployed in January 1989 was slightly above the total for January 1988, the important thing to note is that employment rose significantly over the year. Wage and salary

employment in the metro area was 35,300 higher than in January 1988, an increase of 2.8 percent. Employment has grown by approximately 9,000 in both trade and services. Strong national economic conditions have been a major influence on the business environment in the Twin Cities, and contributed to the steady growth in employment evident over the past few years. The market for products manufactured in the Twin Cities has been healthy in recent years, and the resulting demand for skilled workers in many occupations has created some worker shortages.

Over the next couple of months, employment levels will remain relatively stable until seasonal work such as construction resumes in the spring. Businesses related to tourism and recreational activities (such as professional sports) will begin to add workers in the late spring and early summer. Employment should continue to grow at a steady pace throughout the coming year as long as the national economy remains strong. The diversity of the industrial base in the Twin Cities remains a factor in keeping employment levels high; temporary downturns in any one industry do not cause the entire local economy to suffer unduly.

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEM. RATE		
	Jan. 1989	Dec. 1988	Jan. 1988	Jan. 1989	Dec. 1988	Jan. 1988	Jan. 1989	Dec. 1988	Jan. 1988
Mpls-St. Paul MSA	1,334,614	1,350,654	1,305,525	54,992	45,937	52,622	4.0	3.3	3.9
REGION 11	1,252,690	1,267,317	1,226,374	48,875	41,044	45,984	3.8	3.1	3.6
Anoka	127,734	129,225	125,050	6,098	4,881	5,555	4.6	3.6	4.3
Carver	23,587	23,862	23,091	1,099	916	968	4.5	3.7	4.1
Dakota	136,574	138,169	133,705	6,255	5,119	5,432	4.4	3.6	3.9
Hennepin	597,332	604,308	584,785	20,704	17,681	19,461	3.3	2.8	3.2
Ramsey	268,433	271,567	262,794	9,895	8,388	9,903	3.6	3.0	3.6
Scott	27,847	29,172	27,262	1,859	1,513	1,779	6.3	5.1	6.1
Washington	71,192	72,014	69,687	2,965	2,546	2,866	4.0	3.4	4.0
Chisago	13,712	13,872	13,424	1,313	949	1,273	8.7	6.4	8.7
Isanti	11,651	11,787	11,406	952	700	932	7.6	5.6	7.6
Wright	31,605	31,975	30,944	2,783	2,115	2,603	8.1	6.2	7.8
St. Croix, WI	24,956	25,703	23,377	1,069	1,129	1,830	4.1	4.2	7.3
Bloomington	56,299	56,957	55,117	1,931	1,623	1,750	3.3	2.8	3.1
Minneapolis	208,269	210,701	203,894	7,916	6,928	7,215	3.7	3.2	3.4
St. Paul	142,507	144,171	139,513	6,037	5,129	6,087	4.1	3.4	4.2

Mpls.-St. Paul Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS ^{2/}					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Jan. 1989	Dec. 1988	Jan. 1988	Dec. 1988	Jan. 1988	Jan. 1989	Jan. 1988	Jan. 1989	Jan. 1988	Jan. 1989	Jan. 1988
Total Nonagricultural	1,316.8	1,345.1	1,281.5	-2.1	2.8	-	-	-	-	-	-
Manufacturing	265.0	265.8	257.6	-0.3	2.9	450.93	448.63	11.33	11.05	39.8	40.6
Durable Goods	165.9	166.3	161.3	-0.2	2.8	459.42	462.18	11.40	11.11	40.3	41.6
Lumber and Furniture	9.1	8.9	9.2	2.1	-0.6	493.74	464.56	12.66	12.29	39.0	37.8
Stone, Clay and Glass	3.0	3.3	2.9	-7.5	5.6	421.03	383.18	11.41	9.80	36.9	39.1
Primary Metals	5.3	5.3	4.9	-0.3	9.2	413.95	400.37	9.56	9.12	43.3	43.9
Fabricated Metals	26.2	26.4	26.3	-1.0	-0.4	506.76	546.01	12.33	12.61	41.1	43.3
Nonelectrical Machinery	65.7	65.8	64.2	-0.2	2.2	469.25	481.62	11.91	11.44	39.4	42.1
Office and Computing	31.3	31.7	32.6	-1.3	-3.7	479.50	487.72	12.17	11.53	39.4	42.3
Electrical Machinery	17.1	16.9	16.8	0.7	1.5	386.22	343.17	9.42	8.71	41.0	39.4
Transportation Equipment	5.6	5.7	5.4	-0.7	4.2	682.75	690.30	15.24	15.34	44.8	45.0
Scientific Instruments	30.0	29.9	28.3	0.3	6.0	421.54	428.63	10.46	10.48	40.3	40.9
Misc. Manufacturing	3.9	4.0	3.4	-3.7	14.5	494.59	441.15	11.61	9.76	42.6	45.2
Non-durable Goods	99.1	99.6	96.3	-0.4	3.0	437.92	428.54	11.20	10.96	39.1	39.1
Food and Kindred	17.7	17.8	17.7	-0.7	0.1	476.96	441.57	11.17	10.93	42.7	40.4
Textiles and Apparel	2.0	2.0	2.0	-0.6	0.9	276.83	252.33	7.82	7.23	35.4	34.9
Paper and Allied	25.6	25.6	25.2	0.0	1.5	474.70	469.06	11.75	11.33	40.4	41.4
Printing and Publishing	33.8	34.1	32.3	-0.9	4.5	399.67	394.94	10.92	10.85	36.6	36.4
Chemicals and Petroleum	9.4	9.4	8.9	0.0	5.9	549.24	521.80	13.80	12.98	39.8	40.2
Rubber, Plastic & Leather	10.7	10.7	10.3	0.4	4.7	392.78	415.48	10.02	10.06	39.2	41.3
Nonmanufacturing	1,051.8	1,079.2	1,024.0	-2.5	2.7	-	-	-	-	-	-
Mining	0.4	0.5	0.4	-14.9	9.6	498.96	208.78	12.96	8.03	38.5	26.0
Construction	45.0	51.2	44.4	-12.2	1.4	633.92	628.13	17.56	16.84	36.1	37.3
Transp., Comm., Pub. Util.	71.6	72.6	69.0	-1.5	3.7	-	-	-	-	-	-
Transportation	49.7	50.7	47.2	-1.8	5.3	-	-	-	-	-	-
Trucking & Warehousing	16.3	17.0	15.9	-4.1	3.0	379.31	402.39	12.99	13.15	29.2	30.6
Comm. & Public Util.	21.8	22.0	21.8	-0.6	0.2	593.35	554.83	14.76	14.19	40.2	39.1
Trade	330.1	342.0	321.9	-3.5	2.6	249.66	243.95	8.76	8.50	28.5	28.7
Wholesale	85.4	86.3	83.5	-1.0	2.3	427.89	437.63	11.38	11.25	37.6	38.9
Retail	244.7	255.7	238.4	-4.3	2.6	195.32	185.34	7.60	7.24	25.7	25.6
Building Materials	9.8	10.6	9.8	-7.3	0.2	374.19	335.40	10.28	9.75	36.4	34.4
General Merchandise	43.3	45.9	43.0	-5.7	0.7	166.84	144.69	7.01	6.21	23.8	23.3
Food Stores	29.4	30.7	27.8	-4.2	5.9	228.76	236.26	8.60	8.56	26.6	27.6
Automotive	25.4	25.8	23.9	-1.3	6.3	373.46	379.38	10.52	10.09	35.5	37.6
Apparel	13.1	14.2	13.0	-7.3	1.2	103.03	91.35	5.63	5.47	18.3	16.7
Home Furnishings	11.2	11.5	11.0	-2.0	2.2	246.23	222.09	8.67	7.58	28.4	29.3
Eating and Drinking	80.5	83.3	78.4	-3.3	2.7	126.11	117.50	5.63	5.39	22.4	21.8
Fin., Insur., Real Estate	93.2	93.3	92.2	0.0	1.1	-	-	-	-	-	-
Finance	39.1	39.1	39.8	0.0	-1.9	-	-	-	-	-	-
Insurance	37.6	37.4	36.7	0.6	2.5	-	-	-	-	-	-
Real Estate	16.5	16.8	15.7	-1.4	5.6	-	-	-	-	-	-
Services	332.0	338.2	322.8	-1.8	2.8	1/ Totals may not add because of rounding.					
Personal Services	18.4	18.4	17.8	0.0	3.2						
Business Services	84.4	88.0	81.3	-4.0	3.8	2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.					
Repair Services	15.3	15.4	14.9	-0.8	2.2						
Health Services	83.9	83.8	83.2	0.1	0.9						
Hospitals	28.1	28.2	30.2	-0.3	-6.9						
Nursing Homes	21.2	21.2	21.4	0.1	-0.7						
Legal Services	12.2	12.1	11.6	1.2	5.6						
Private Education	17.6	17.8	17.3	-1.1	1.9						
Government	179.5	181.4	173.2	-1.1	3.6						
Federal	21.0	21.0	20.4	0.0	2.8						
State	53.8	54.0	52.8	-0.4	1.8						
Education	29.2	29.7	29.1	-1.5	0.4						
Local	104.8	106.5	100.0	-1.6	4.8						
Education	58.0	60.1	54.2	-3.5	7.0						

Central and Northwest Minnesota



By Ron Daws

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1989	Dec. 1988	Jan. 1988	Jan. 1989	Dec. 1988	Jan. 1988	Jan. 1989	Dec. 1988	Jan. 1988
St. Cloud MSA*	91,085	89,580	88,207	6,119	6,060	5,307	6.3	6.3	5.7
REGION 1	37,901	38,984	37,840	4,453	3,384	4,069	10.5	8.0	9.7
Kittson	2,198	2,228	2,241	283	199	269	11.4	8.2	10.7
Marshall	4,192	4,239	4,185	981	632	863	19.0	13.0	17.1
Norman	3,170	3,251	3,238	294	239	295	8.5	6.8	8.3
Pennington	5,872	6,093	5,787	761	473	691	11.5	7.2	10.7
Polk	13,265	13,523	13,412	1,185	931	1,113	8.2	6.4	7.7
Red Lake	1,249	1,297	1,266	376	258	332	23.1	16.6	20.8
Roseau	7,955	8,353	7,711	573	652	506	6.7	7.2	6.2
REGION 2	28,178	28,859	27,945	3,171	2,123	2,728	10.1	6.9	8.9
Beltrami	14,865	15,475	14,957	1,213	824	1,087	7.5	5.1	6.8
Clearwater	2,928	3,058	2,967	817	508	682	21.8	14.2	18.7
Hubbard	6,367	6,331	6,104	768	536	610	10.7	7.8	9.1
Lake of Woods	1,771	1,830	1,704	112	69	122	5.9	3.6	6.7
Mahnomen	2,225	2,165	2,213	261	184	227	10.5	7.8	9.3
REGION 4	88,723	91,212	88,436	7,209	5,150	6,141	7.5	5.3	6.5
Becker	12,009	12,132	12,244	1,751	1,153	1,130	12.7	8.7	8.4
Clay	24,064	24,706	24,133	1,383	882	1,163	5.4	3.4	4.6
Douglas	13,570	14,051	13,746	844	672	862	5.9	4.6	5.9
Grant	2,611	2,678	2,570	263	178	218	9.2	6.2	7.8
Otter Tail	22,611	23,438	21,946	2,057	1,594	1,899	8.3	6.4	8.0
Pope	4,181	4,261	4,122	352	255	324	7.7	5.6	7.3
Stevens	4,775	4,915	4,730	276	176	235	4.5	3.5	4.7
Traverse	1,904	1,933	1,919	129	93	132	6.3	4.6	6.4
Wilkin	2,995	3,098	3,026	204	145	178	6.4	4.5	5.6
REGION 5	52,879	54,750	52,325	5,693	4,124	5,011	9.8	7.0	8.7
Cook	7,074	7,220	7,069	1,125	781	945	13.7	9.8	11.8
Crow Wing	19,895	20,179	19,973	1,714	1,272	1,538	8.2	5.9	7.5
Morrison	12,437	12,837	12,369	1,453	1,086	1,293	10.5	7.7	9.5
Todd	9,499	9,669	9,446	956	695	864	9.1	6.7	8.4
Wadena	4,573	4,645	4,468	445	290	371	8.9	5.9	7.7
REGION 6E	51,498	52,949	50,744	3,501	3,498	3,122	6.4	6.2	5.8
Kandiyohi	18,090	18,799	17,812	1,042	1,592	1,025	5.4	7.6	5.4
McLeod	17,376	17,847	16,912	803	701	712	4.7	3.8	4.0
Neeker	7,882	8,154	7,725	945	671	752	10.7	7.6	8.9
Renville	8,150	8,149	8,295	651	534	633	7.4	6.1	7.1
REGION 7E	48,024	48,807	47,265	4,967	3,645	4,696	9.4	7.0	9.0
Chicago	13,710	13,872	13,434	1,313	945	1,273	8.7	6.4	8.7
Isanti	11,581	12,787	11,406	952	700	932	7.6	5.6	7.6
Kanabec	4,988	5,157	5,004	693	508	649	12.2	8.2	11.2
Millie Lads	9,023	9,043	8,889	814	629	733	8.3	6.5	7.8
Pine	8,749	8,948	8,885	1,195	864	1,118	12.0	8.8	11.4
REGION 7W	122,890	121,555	119,151	8,902	8,175	7,910	6.8	6.3	6.2
Benton	14,412	14,174	13,957	939	1,027	840	6.1	6.8	5.7
Sherburne	17,197	16,913	16,654	1,404	1,534	1,212	7.5	8.3	6.8
Stearns	59,478	58,493	57,596	3,776	3,499	3,255	6.0	5.6	5.3
Wright	31,505	31,975	30,944	2,783	2,115	2,603	8.1	6.2	7.8

Unemployment Rates Rise Between December And January, Except In St. Cloud, While Employment Drops Seasonally

While the economies of Central and Northwest Minnesota seem to deteriorate slightly, the St. Cloud MSA continued to perform well. St. Cloud's unemployment rate remained at 6.3 percent between December and January. During the entire 1980s the rate rose between these months. During January of 1988, however, the rate was 5.7 percent, more than a half of a percent lower. Whether this signals an upturn in unemployment levels in the St. Cloud MSA (and the rest of the area) for 1989 will become clearer as data for the next few months becomes available. Unemployment was so low during 1988 that a modest upturn in joblessness would not signal a downturn of the area's labor market.

Total employment rose to 91,085 in January, up from 89,580 in December and 88,207 last January. That was 3.3 percent additional jobs in the MSA over the year. It demonstrates that the area is still able to generate new jobs.

Despite the increase in total employment over the month and year, the number of nonfarm payroll jobs declined by 2.5 percent over the month, from 74,626 in December to 72,782 in January.

The primary job losers over the month were construction and mining (down 11.1%), other services (down 4.7%), finance, insurance and real estate (down 3.1%) and retail trade (down 2.6%). Retail trade's drop was caused primarily by the elimination of holiday help.

Over the year, nonfarm payroll employment rose 5.7 percent (from 68,862 last December). Every major industry except finance, insurance and real estate gained jobs. Construction seems to be on the mend again. Jobs jumped by 21.4 percent. Manufacturing jobs rose 7.0 percent, wholesale trade rose 8.1 percent, government 7.3 percent, and non-medical services jobs rose 5.4 percent.

ST. CLOUD MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	Jan. 1989	Dec. 1988	Jan. 1988	MONTH AGO	YEAR AGO
Total Nonfarm Wage & Salary	72,782	74,626	68,862	-2.5	5.7
Total Manufacturing	13,224	13,327	12,361	-0.8	7.0
Durable Goods	7,401	7,437	7,017	-0.5	5.5
Non-durable Goods	5,823	5,890	5,344	-1.1	9.0
Total Nonmanufacturing	59,558	61,299	56,501	-2.8	5.4
Construction & Mining	3,091	3,478	2,547	-11.1	21.4
Trans., Insur., & Pub. Util.	3,717	3,730	3,539	-0.3	5.0
Total Trade	21,760	22,219	20,924	-2.1	4.0
Wholesale Trade	3,388	3,365	3,133	0.7	8.1
Retail Trade	18,372	18,854	17,791	-2.6	3.3
Finan., Insur., & Real Estate	2,204	2,275	2,245	-3.1	-1.8
Total Services	5,145	5,162	5,034	-0.3	2.2
Health Services	10,206	10,706	9,687	-4.7	5.4
Other Services	13,435	13,729	12,525	-2.1	7.3
Government					

Southern Minnesota



By Sue Borgfelt

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1989	Dec. 1988	Jan. 1988	Jan. 1989	Dec. 1988	Jan. 1988	Jan. 1989	Dec. 1988	Jan. 1988
REGION 6W	22,192	22,884	22,171	1,815	1,485	1,677	7.6	6.1	7.0
Big Stone	2,665	2,679	2,690	191	148	180	6.7	5.2	6.3
Chippewa	5,985	6,400	5,951	667	489	575	10.0	7.1	8.8
Lac Qui Parle	3,909	3,941	3,955	221	175	188	5.4	4.3	4.5
Swift	4,526	4,623	4,490	359	370	348	7.3	7.4	7.2
Yellow Medicine	5,108	5,241	5,085	377	303	386	6.9	5.5	7.1
REGION 8	57,111	58,091	56,841	3,580	3,080	3,153	5.9	5.0	5.3
Cottonwood	5,899	5,910	5,865	352	317	333	5.6	5.1	5.4
Jackson	4,894	4,986	4,821	332	275	361	6.4	5.3	7.0
Lincoln	2,911	2,999	2,911	243	204	183	7.7	6.4	5.9
Lyon	11,941	12,094	12,010	768	797	708	6.0	6.2	5.6
Murray	4,218	4,323	4,168	377	300	366	8.2	6.5	8.1
Nobles	10,537	10,635	10,412	574	430	463	5.2	3.9	4.3
Pipestone	5,169	5,299	5,122	325	286	166	3.9	5.0	3.2
Redwood	7,177	7,370	7,138	434	330	392	5.7	4.3	5.2
Rock	4,365	4,375	4,394	175	137	179	3.9	3.0	3.9
REGION 9	102,848	104,456	102,669	5,898	4,529	5,536	5.4	4.2	5.1
Blue Earth	27,408	27,610	27,021	1,014	894	958	3.6	3.1	3.4
Brown	12,569	12,975	12,577	838	553	800	6.3	4.1	6.0
Faribault	7,163	7,411	7,349	558	430	458	7.2	5.5	5.9
Le Sueur	9,646	9,854	9,895	983	786	897	9.2	7.4	8.3
Martin	10,348	10,399	10,627	780	565	822	7.0	5.2	7.2
Nicollet	15,057	15,168	14,845	537	408	531	3.4	2.6	3.5
Sibley	6,048	6,116	5,963	531	394	481	8.1	6.1	7.5
Waseca	8,710	8,936	8,776	373	292	389	4.1	3.2	4.2
Watonswan	5,899	5,987	5,616	284	207	200	4.6	3.3	3.4
REGION 10	212,330	216,109	209,003	10,246	8,271	9,588	4.6	3.7	4.4
Dodge	7,177	7,786	7,084	594	439	531	7.6	5.3	7.0
Fillmore	8,947	9,138	9,077	663	451	692	6.9	4.7	7.1
Freeborn	16,945	17,042	16,613	813	683	674	4.6	3.9	3.9
Goodhue	19,741	19,686	19,740	974	708	958	4.7	3.5	4.6
Houston	8,525	8,789	8,380	492	316	475	5.5	3.5	5.4
Mower	16,049	16,206	16,248	799	655	761	4.7	3.9	4.5
Olmsted	59,822	60,122	57,572	1,995	1,922	1,881	3.2	3.1	3.2
Rice	26,580	27,112	26,187	1,550	1,241	1,276	5.5	4.4	4.6
Steele	15,086	15,434	14,947	611	493	602	3.9	3.1	3.9
Wabasha	7,892	8,075	7,960	577	394	575	6.8	4.7	6.7
Winona	25,566	26,719	25,195	1,178	975	1,163	4.4	3.5	4.4
Rochester	36,992	37,177	35,600	1,263	1,247	1,211	3.3	3.2	3.3

ROCHESTER MSA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	January 1989	December 1988	January 1988	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	61,106	62,178	57,449	-1.7	6.4
Total Manufacturing	11,212	11,211	10,754	0.0	4.3
Durable Goods	9,426	9,425	9,065	0.0	4.0
Nondurable Goods	1,786	1,786	1,689	0.0	5.7
Total Nonmanufacturing	49,894	50,967	46,695	-2.1	6.9
Construction & Mining	1,657	1,967	1,658	-15.8	-0.1
Transp., Comm., & Public Util.	1,746	1,823	1,665	-4.2	4.9
Total Trade	12,636	13,133	11,799	-3.8	7.1
Wholesale Trade	1,242	1,242	1,172	0.0	6.0
Retail Trade	11,394	11,891	10,627	-4.2	7.2
Finan., Insur., & Real Estate	1,562	1,548	1,493	0.9	4.6
Total Services	25,946	25,976	23,932	-0.1	8.4
Health Services	17,682	17,707	16,657	-0.1	6.2
Other Services	8,264	8,269	7,275	-0.1	13.6
Government	6,347	6,520	6,148	-2.7	3.2

Employment And Unemployment Rise Over The Year In Southern Minnesota

More people were employed this January than a year ago in Southern Minnesota, yet there were also more unemployed. Most counties had higher unemployment rates than last year, though generally, the differences were not significant. Whether these over-the-year increases in unemployment will continue remains to be seen. The monthly jump in unemployment in most counties was mainly seasonal.

The Rochester MSA's nonagricultural wage and salary employment rose 6.4 percent (creating 3,657 new jobs) over the year. Service industries generated 55 percent of this increase, with health services adding 1,025 workers, and nonhealth services (the highest percentage gainer at 13.6 percent) adding 989. The over-the-year gain in nonhealth service employment was greater this month than last (the difference was 638 in December) because the number of jobs fell less this year in December than last year. There are no current figures available on industry breakdowns among nonhealth services, although from June 1987 to June 1988, the industries gaining the most employment were business services, social services, and hotels and other lodging places. Retail trade provided the third largest number of new jobs (767) since January 1988. Construction was the only industry that did not gain jobs.

Over the month, most industries lost seasonal jobs. Retail trade jobs were reduced by 497 following the holiday rush; construction jobs shrunk by 310. Total nonfarm payroll jobs declined by 1,072. Employment usually starts picking up in March.

Looking at annual averages (page 20), total nonfarm payroll employment increased 19 percent from 1980 to 1988. Health services, retail trade, and nonhealth services were the largest gainers. Transportation, communication, and public utilities, and wholesale trade lost jobs.

Northeast Minnesota



By Ron Daws

Employment Rises Over The Year But Drops Over The Month, While Unemployment Rises Over The Month And Drops Over The Year

The number of jobs in Region 3 rose almost one percent over the year, but dropped one half of a percent over the month. The unemployment rate moved in the opposite direction. It dropped from 8.3 percent last January to 7.7 percent this January. Over the month, Region 3's unemployment rate rose seasonally from 5.9 percent.

Duluth's unemployment rate also rose seasonally over the month, jumping from 4.4 percent in December to 5.7 percent in January. That 5.7 percent was, however, lower than last January's 6.4 percent rate.

On the whole, Duluth's economy performed quite well in 1988. Recently released labor force data shows that Duluth's annual average unemployment rate in 1988 was 5.7 percent. In 1987 it was 7.1 percent, and in 1986 it was 6.0 percent. In fact, Duluth's rate has never been lower during the 1980s.

Duluth's employment also rose over the year, but was down seasonally over the month. Not since before the 1981-82 recession have there been more jobs in January than the 35,469 estimated for this January.

Several industries were instrumental in adding jobs over the year. Construction employment shot up 29.1 percent. Health services added 9.4 percent more workers. Durable goods manufacturing added 8.9 percent more jobs, and the large retail trade segment created 2.4 percent more jobs.

Only transportation, communication and public utilities, wholesale trade, and nonmedical services lost significant numbers of workers over the year.

Over the month, every industry except nondurable goods manufacturing and health services lost jobs. The big losers were: construction (-9.7%), transportation, communication and public utilities (-8.4%) and retail trade (-3.0%). All of these moves were normal seasonal developments.

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1989	Dec. 1988	Jan. 1988	Jan. 1989	Dec. 1988	Jan. 1988	Jan. 1989	Dec. 1988	Jan. 1988
REGION 3	127,249	127,864	126,169	10,616	7,984	11,410	7.7	5.9	8.3
Aitkin	4,387	4,682	4,470	709	518	650	13.9	10.0	12.7
Carlton	11,286	11,556	11,315	1,012	761	1,088	8.2	6.2	8.8
Cook	2,337	2,340	2,320	247	160	198	9.6	6.4	7.9
Itasca	16,287	16,329	16,147	1,545	1,146	1,599	8.7	6.6	9.0
Koochiching	7,232	7,295	7,036	545	437	539	7.0	5.7	7.1
Lake	3,546	3,745	3,360	485	321	527	12.0	7.9	13.6
St. Louis	82,174	81,917	81,521	6,073	4,641	6,809	6.9	5.4	7.7
City of Duuth	35,469	35,358	35,188	2,149	1,637	2,425	5.7	4.4	6.4
Balance St. Louis	46,705	46,559	46,333	3,924	3,004	4,384	7.8	6.1	8.6

DULUTH AND DULUTH-SUPERIOR MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	Jan. 1989	Dec. 1988	Jan. 1988	MO. AGO	YR. AGO	Jan. 1989	Dec. 1988	Jan. 1988	MO. AGO	YR. AGO
Total Nonfarm Wage & Salary	45,744	46,760	44,821	-2.2	2.1	90,038	91,940	88,336	-2.1	1.9
Total Manufacturing	3,906	3,899	3,703	0.2	5.5	7,877	7,908	7,321	-0.4	7.6
Durable Goods	1,598	1,616	1,467	-1.1	8.9	4,159	4,204	3,872	-1.1	7.4
Nondurable Goods	2,308	2,283	2,236	1.1	3.2	3,718	3,704	3,449	0.4	7.8
Total Nonmanufacturing	41,838	42,861	41,118	-2.4	1.8	82,161	84,032	81,015	-2.2	1.4
Construction	1,637	1,813	1,268	-9.7	29.1	2,648	3,084	2,473	-14.1	7.1
Transp., Com., Pub. Util.	2,558	2,794	2,731	-8.4	-6.3	5,452	5,795	5,428	-5.9	0.4
Total Trade	11,543	11,892	11,351	-2.9	1.7	22,116	22,811	22,014	-3.0	0.5
Wholesale Trade	1,635	1,679	1,674	-2.6	-2.3	3,519	3,584	3,543	-1.8	-0.7
Retail Trade	9,908	10,213	9,677	-3.0	2.4	18,597	19,227	18,471	-3.3	0.7
Finan., Insur., Real Est.	1,835	1,887	1,816	-2.8	1.0	3,090	3,156	3,075	-2.1	0.5
Services, Mining, & Misc.										
Health Services	5,927	5,915	5,420	0.2	9.4	9,313	9,324	8,728	-0.1	6.7
Other Services	6,796	6,840	6,934	-0.6	-2.0	10,951	10,988	11,276	-0.3	-2.9
Government	10,564	10,645	10,641	-0.8	-0.7	22,186	22,283	21,996	-0.4	0.9

Comparative Annual Average Nonfarm Payroll Employment For Minnesota Metropolitan Areas, 1980-1988

Minneapolis-St. Paul MSA										Percent Change 1980-88
	1980	1981	1982	1983	1984	1985	1986	1987	1988	
Total Nonfarm W&S	1,110,462	1,108,920	1,084,064	1,097,559	1,175,580	1,211,037	1,232,702	1,275,788	1,319,742	18.8
Total Mfg	249,173	246,982	238,149	237,916	257,838	257,544	251,225	254,214	263,864	5.9
Durables	161,749	160,057	152,187	151,348	165,781	163,612	157,488	157,977	165,088	2.1
Nondurables	87,424	86,925	85,962	86,569	92,057	93,933	93,737	96,236	98,776	13.0
Total Nonmfg	861,288.0	861,938	845,916	859,643	917,742	953,493	981,476	1,024,574	1,055,879	22.6
Const & Mining	46,712	40,975	36,843	38,126	43,881	47,548	50,091	53,746	53,412	14.3
Trans, Com, P.U.	64,814	63,707	61,699	62,115	65,206	67,049	67,270	68,971	70,423	8.7
Trade	273,386	273,099	266,398	268,442	288,152	297,200	303,086	316,176	329,505	20.5
Wholesale	75,819	76,015	73,754	72,013	76,771	78,702	80,540	82,440	85,263	12.5
Retail	197,567	197,083	192,645	196,429	211,350	218,497	222,546	233,737	244,242	23.6
Fin, Ins, R.E.	70,789	73,584	73,671	75,509	80,923	84,288	88,883	92,028	93,020	31.4
Services	244,351	250,462	252,217	261,347	281,336	295,757	306,045	322,015	333,731	36.6
Health	71,106	73,571	74,255	74,203	75,300	78,449	80,660	83,409	83,101	16.9
Other	173,245	176,911	177,962	187,144	206,036	217,308	225,385	238,606	250,630	44.7
Government	161,236	160,093	155,087	154,105	158,245	161,652	166,101	171,638	175,787	9.0

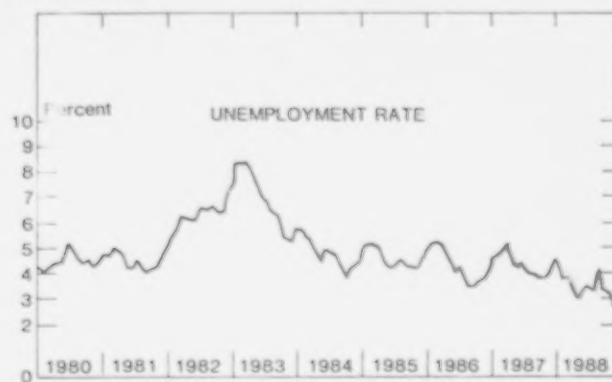
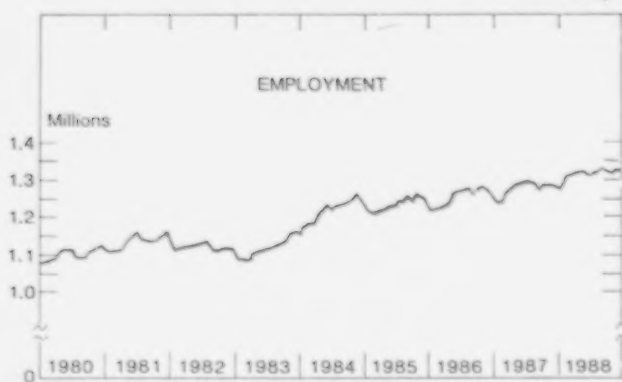
St. Cloud MSA										Percent Change 1980-88
	1980	1981	1982	1983	1984	1985	1986	1987	1988	
Total Nonfarm W&S	54,904	55,545	54,838	56,105	60,572	62,428	66,012	68,429	71,760	30.7
Total Mfg	10,747	10,617	10,161	10,378	10,857	10,821	11,444	11,884	13,080	21.7
Durables	6,623	6,439	5,694	5,753	6,033	6,120	6,437	6,691	7,377	11.4
Nondurables	4,124	4,178	4,468	4,625	4,825	4,702	5,006	5,193	5,702	38.3
Total Nonmfg	44,157	44,928	44,677	45,728	49,715	51,606	54,568	56,545	58,680	32.9
Const & Mining	3,010	3,217	2,761	2,593	2,909	3,205	3,421	3,565	3,445	14.5
Trans, Com, P.U.	3,515	3,455	3,430	3,477	3,687	3,636	3,462	3,401	3,633	3.4
Trade	14,785	14,922	15,275	15,953	17,147	18,240	19,945	21,082	21,421	44.9
Wholesale	2,527	2,591	2,729	2,763	3,002	3,038	3,191	3,365	3,280	29.8
Retail	12,259	12,331	12,546	13,190	14,125	15,202	16,754	17,717	18,141	48.0
Fin, Ins, R.E.	1,894	1,956	1,939	1,998	2,097	2,149	2,372	2,249	2,254	19.0
Services	9,734	10,269	10,427	10,963	12,453	12,871	13,460	14,441	15,427	58.5
Health	3,927	4,139	4,214	4,368	4,464	4,522	4,647	4,897	5,096	29.8
Other	5,807	6,130	6,213	6,595	7,989	8,349	8,813	9,544	10,331	77.9
Government	11,213	11,109	10,844	10,744	11,423	11,505	11,888	12,112	12,500	11.4

Rochester MSA										Percent Change 1980-88
	1980	1981	1982	1983	1984	1985	1986	1987	1988	
Total Nonfarm W&S	50,384	50,910	50,778	51,103	54,147	55,088	55,160	56,736	59,951	19.0
Total Mfg	10,212	10,451	10,056	10,105	10,932	11,230	10,777	10,638	11,026	8.0
Durables	8,515	8,585	8,284	8,318	9,150	9,394	9,000	8,829	9,178	7.8
Nondurables	1,697	1,766	1,772	1,787	1,782	1,836	1,777	1,809	1,848	8.9
Total Nonmfg	40,172	40,458	40,722	40,998	43,215	43,858	44,383	46,098	48,924	21.8
Const & Mining	2,049	1,650	1,620	1,654	1,779	1,903	1,778	1,856	2,072	1.1
Trans, Com, P.U.	1,962	1,933	1,919	1,932	1,885	1,861	1,697	1,652	1,742	-11.2
Trade	9,916	9,973	10,346	10,542	11,268	11,308	11,230	11,447	12,326	24.3
Wholesale	1,284	1,270	1,293	1,208	1,272	1,217	1,235	1,177	1,223	-4.7
Retail	8,632	8,703	9,054	9,334	9,996	10,091	9,995	10,469	11,102	28.6
Fin, Ins, R.E.	1,411	1,482	1,502	1,558	1,514	1,510	1,554	1,526	1,512	7.2
Services	18,885	19,738	20,171	20,347	21,586	21,704	22,364	23,525	25,138	33.1
Health	12,921	13,635	14,224	14,580	15,215	15,036	15,411	16,183	17,185	33.0
Other	5,964	6,103	5,947	5,768	6,371	6,668	6,953	7,342	7,953	33.4
Government	5,950	5,682	5,164	4,964	5,183	5,572	5,759	5,882	6,134	3.1

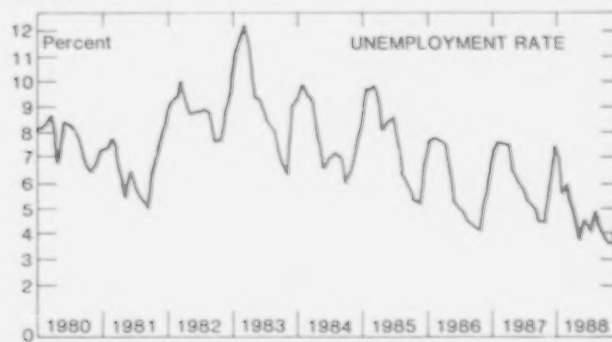
Duluth City										Percent Change 1980-88
	1980	1981	1982	1983	1984	1985	1986	1987	1988	
Total Nonfarm W&S	45,687	44,208	41,235	39,384	41,223	41,837	43,321	44,069	43,847	-4.0
Total Mfg	5,789	5,548	4,463	3,553	3,320	3,701	3,863	3,922	3,835	-33.8
Durables	2,533	2,561	2,114	1,753	1,742	1,756	1,831	1,536	1,531	-39.6
Nondurables	3,256	2,987	2,349	1,801	1,579	1,945	2,032	2,326	2,304	-29.2
Total Nonmfg	39,899	38,661	36,772	35,831	37,902	38,136	39,458	40,146	40,012	0.3
Const	1,620	1,268	1,060	915	1,015	1,200	1,743	2,249	1,375	-15.1
Trans, Com, P.U.	4,276	4,077	3,526	3,277	3,261	2,985	2,820	2,800	2,816	-34.1
Trade	12,076	11,329	10,687	10,464	10,833	10,762	10,869	11,022	11,143	-7.7
Wholesale	2,406	2,083	1,674	1,763	1,850	1,735	1,735	1,669	1,634	-32.1
Retail	9,670	9,246	8,813	8,701	8,982	9,026	9,134	9,353	9,509	-1.7
Fin, Ins, R.E.	1,884	1,831	1,736	1,723	1,701	1,783	1,765	1,811	1,839	-2.4
Services & Min	10,715	11,345	11,246	11,418	11,293	11,252	11,632	11,928	12,324	15.0
Health	4,585	4,991	5,088	5,166	5,074	4,950	5,091	5,246	5,553	21.1
Other & Mine	5,335	5,525	5,335	5,410	5,394	5,398	5,616	5,793	5,829	9.3
Government	9,328	8,811	8,519	8,035	9,800	10,153	10,629	10,337	10,516	12.7

Employment and Unemployment Rates for MN Metro Areas

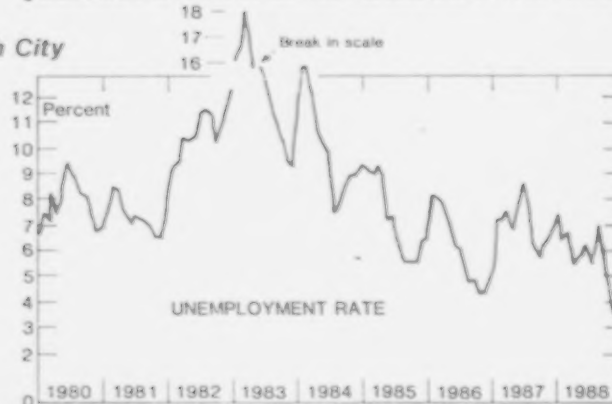
Minneapolis-St. Paul MSA



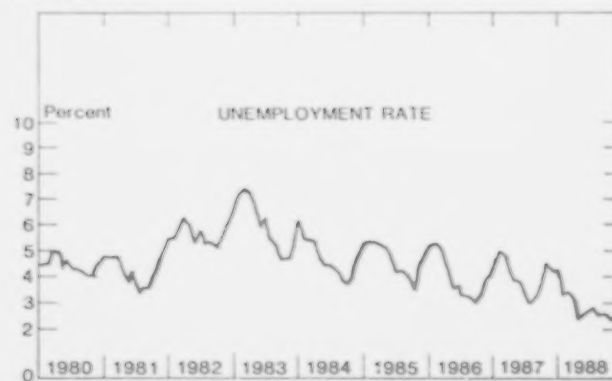
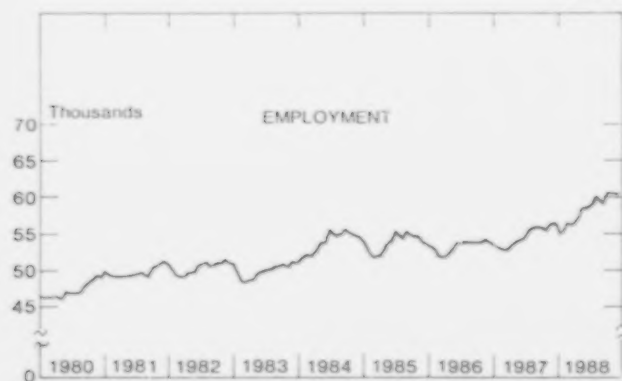
St. Cloud MSA



Duluth City



Rochester MSA



The Job Market

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, FEBRUARY 1989

By Mike Casey

SHORTAGE OCCUPATIONS*

SURPLUS OCCUPATIONS

MINNESOTA: 	nursing (RN, LPN, aides)# food service workers# retail sales clerks# clerical (experienced)# truck drivers (over the road)#	clerical (inexperienced)# factory workers# general laborers# construction laborers#
CENTRAL MINNESOTA: 	nursing (RN, LPN, aides)	clerical (inexperienced)#
MINNEAPOLIS-ST. PAUL: 	nursing (RN, LPN, aides)# clerical (experienced)# food service workers# retail sales clerks machinist (CNC)#	general laborers
NORTHEASTERN MINNESOTA: 	nursing (RN, LPN, aides)# food service workers# plant electrician# clerical (experienced)#	clerical (inexperienced)# general laborers
NORTHWESTERN MINNESOTA: 	retail sales clerks truck drivers (over the road) food service workers#	clerical (inexperienced)# construction laborers
SOUTHERN MINNESOTA: 	nursing (RN, LPN, aides)# food service worker# retail sales clerks# truck drivers (over the road)#	clerical (inexperienced)# construction laborers#

* Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

1988 Employment And Unemployment Annual Averages For Minnesota Counties And MSAs

1988				1988			
AREA NAME	EMP	UNEMP	RT	AREA NAME	EMP	UNEMP	RT
TOTAL STATE	2233000	9400	4.0	Mille Lacs	9085	545	5.7
Aitkin	4716	470	9.1	Morrison	13111	975	6.9
Becker	12616	882	6.5	Mower	16407	634	3.7
Beltrami	15415	841	5.2	Murray	4524	261	5.5
Big Stone	2824	145	4.9	Nobles	10674	384	3.5
Brown	13141	570	4.2	Norman	3412	234	6.4
Carlton	11579	878	7.0	Olmsted			
Cass	7876	735	8.5	(Roch MSA)	59100	1700	2.8
Chippewa	6500	352	5.1	Otter Tail	23547	1411	5.7
Clay	24423	934	3.7	Pennington	6203	456	6.8
Clearwater	3110	464	13.0	Pine	9234	777	7.8
Cook	2535	146	5.4	Pipestone	5357	175	3.2
Cottonwood	5967	338	5.4	Polk	13802	993	6.7
Crow Wing	20673	1183	5.4	Pope	4406	245	5.3
Dodge	7814	386	4.7	Red Lake	1366	231	14.5
Douglas	14235	662	4.4	Redwood	7477	295	3.8
Faribault	7784	353	4.3	Renville	8559	520	5.7
Fillmore	9364	509	5.2	Rice	26944	1094	3.9
Freeborn	16913	604	3.4	Rock	4455	138	3.0
Goodhue	20079	752	3.6	Roseau	8255	367	4.3
Grant	2733	157	5.4	St. Louis	82640	5466	6.2
Houston	8845	371	4.0	Sibley	6325	346	5.2
Hubbard	6825	464	6.4	Steele	15490	549	3.4
Itasca	16158	1314	7.5	Stevens	4992	158	3.1
Jackson	5040	302	5.7	Swift	4666	248	5.0
Kanabec	5356	472	8.1	Todd	10005	687	6.4
Kandiyohi	18781	834	4.3	Traverse	2060	87	4.1
Kittson	2320	208	8.2	Wabasha	8385	399	4.5
Koochiching	7319	458	5.9	Wadena	4711	293	5.9
Lac Qui Parle	4053	141	3.4	Waseca	9096	313	3.3
Lake	3708	408	9.9	Watonswan	5957	175	2.9
Lk of Woods	1813	86	4.5	Wilkin	3175	155	4.7
Le Sueur	10522	689	6.1	Winona	26020	981	3.6
Lincoln	3100	139	4.3	Yellow Medicine	5403	253	4.5
Lyon	12318	567	4.4				
McLeod	17773	638	3.5				
Mahnomen	2215	170	7.1				
Marshall	4419	596	11.9				
Martin	10821	599	5.2				
Meeker	8199	571	6.5				
				MPLSTP MSA	1339891	47354	3.4
				St. Cloud MSA	90816	4462	4.7
				Duluth	35671	2137	5.7

Ordinarily, this table would include a comparison with 1987 data. But because previous labor force data is being recalculated using the new methodology described in Research Summaries on the next page, new 1987 figures would have become available about the time this table reached you. Anyone needing the revised data should contact Wayne Graner at (612) 296-3715.

RESEARCH SUMMARIES

By Bruce Steuernagel

Refiguring The Unemployment Figures

Much of the information in this article is based on a news release developed by the U.S. Department of Labor, Bureau of Labor Statistics. Beginning with data for January 1989 published in this issue of the *Review*, the Bureau of Labor Statistics plans to shift to a new method of calculating monthly employment and unemployment estimates for most States and the District of Columbia. To replace the current building-block method, the Research Office, in cooperation with the Bureau plans to begin using a regression model, known as the variable coefficient model, to produce more precise estimates and that automatically adjusts to structural changes in the economies of the various States. Nevertheless, users of monthly unemployment rates are likely to notice that the new methodology produces more pronounced month-to-month changes than did the former method.

Background

The Bureau of Labor Statistics is responsible for the procedures used to develop monthly civilian labor force estimates in all States, metropolitan areas, counties, and cities of 25,000 population or more. Labor force estimates for the Nation as a whole are produced directly from the Current Population Survey (CPS), a scientifically selected sample of households representative of the total population. In 11 large States, (California, Florida, Illinois, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Texas), the CPS sample sizes are large enough to produce reliable monthly estimates on a monthly and thus are used as the official employment and unemployment series in those States. For the remaining 39 States and the District of Columbia, the sample sizes are too small to support direct development of monthly employment and unemployment estimates. For these

States, which are referred to as "nondirect-use States", the requirement for monthly labor force estimates has presented special estimation problems. Currently, labor force estimates for the nondirect-use States are prepared by first using a building-block approach to defining and estimating components of unemployment and employment insurance (UI) system and the Current Employment Statistics (CES) program covering nonagricultural payroll employment. Estimates for groups not adequately measured monthly are developed using historical or larger area relationships. Because they are based on data from UI programs which differ from State to State, unemployment estimates calculated by this method are not comparable across States. In order to ensure comparability across States and with the national measures--a requirement for purposes of analysis and equity in the distribution of Federal funds--the monthly estimates for each State are adjusted to State CPS levels using a 6-month moving average of CPS data. Once annual average CPS data are available, the monthly employment and unemployment estimates for the year are then adjusted to these benchmark numbers using a mathematical approach that distributes the difference between the CPS annual average and the average of the building-block estimates.

This methodology for developing monthly employment and unemployment estimates for the "nondirect-use States" has been deficient in a number of respects. The relatively small proportion of the total unemployed accounted for by UI claimants, and difficulties in estimating groups not covered by UI, cause the building-block estimates to significantly lower than CPS levels. The magnitude of the underestimation is such that building-block produced unemployment estimates may be less than half of the level recorded by the CPS.

While the adjustment to CPS using the moving average corrects for the significant underestimation, it introduces other problems into the estimates, since it affects the seasonality of the series. That is, the official monthly State estimates reflect neither the seasonality of the UI-based series nor that of the CPS. In addition, the method of benchmarking the series to the annual average results in discontinuities between the December benchmarked estimate and the January estimate prepared using the moving average.

New Method

Given the problems with the procedures just described, BLS intends to replace the estimating methodology for nondirect-use States with a new method beginning with estimates for January 1989. The new method for the 39 States and the District of Columbia uses variable coefficient regression models developed by BLS and tested by the cooperating State employment security agencies. These dynamic time series regression models are able to use CPS, CES, and UI data more accurately and reliably. More than 10 years of data from these sources have been collected to build regression models that are resistant to large random sample errors in the CPS, yet flexible enough to reflect the individual features of each State's economy. The models for each State were developed using common rules and recognized statistical criteria. While based on past relationships, the models have a built-in self-tuning mechanism that allows them to reflect structural changes in a State's economy as the changes occur. Two estimating equations are used for each State, one for employment and one for the unemployment rate. The unemployment rate is modeled rather than the unemployment level because the rate is usually considered the more meaningful economic measure.

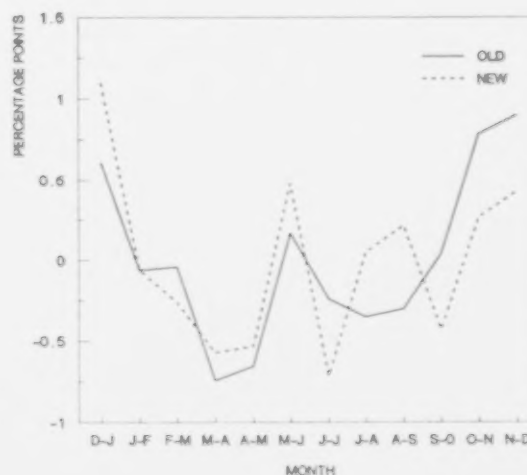
Although differences between the annual average of the model estimates and the CPS are very small, the model estimates will continue to be bench-

marked to the CPS annual averages. Nevertheless, a new benchmarking method will be used which is consistent with the model-based estimation procedure and preserves the original monthly seasonal pattern of the model estimates.

A statistical analysis comparing the average monthly changes in the Minnesota unemployment rate for 1978-1987 using both the new and old methodologies showed that there is greater variance in the data calculated by the new methodology, and that in seven of the 12 months there was a statistically significant difference in the variance. This was expected since the old methodology included a six-month moving average and benchmark adjustments of monthly data to a CPS annual average. Both of these steps tend to produce a "smoother" pattern.

The following graph illustrates the differences referred to above.

COMPARISON OF AVERAGE MONTHLY CHANGES IN THE
UNEMPLOYMENT RATE-NEW VS. OLD METHODOLOGIES



The current methodology used to calculate monthly labor force estimates for counties and major cities will not change. The labor force series for these areas will be revised and forced to the new State figures beginning with data for 1980. □

MINNESOTA LABOR MARKET REVIEW



MINNESOTA DEPARTMENT OF
Jobs and Training

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Minnesota Labor Market Review (Recent Issues)

Minnesota Nonagricultural Wage and Salary Employment, Hours, and Earnings, January, 1980 - December, 1987 (April 1988)

Employment, Hours, and Earnings, 1950-1988, Minneapolis-St. Paul Area (May 1988)

Important Minnesota Occupations by Industry (April 1988)

1986 Occupational Employment Statistics in Minnesota (January 1988)

1984 Occupational Employment Statistics in Minnesota (October 1985)

1988 Minnesota Salary Survey (November 1987)

1988 Minnesota Hospitals and Nursing Homes Salary Survey

1988 Minnesota Salaries by Industry and by Employer Size

Minnesota Employment and Wages by Economic Region and County (First-Fourth Quarters 1987)
Limited number available for 1975-1986

Minnesota Average Covered Employment and Wages by Economic Region for the Calendar Year 1987
(also available for 1976-1986)

Report on Permanent Mass Layoffs and Plant Closings in Minnesota (July 1988)

State and Area Labor Force Estimates January, 1980 - December, 1987

Minnesota Employment